ANNICA
HOLDINGS LIMITED

ANNICA HOLDINGS LIMITED

ANNUAL REPORT 2024

*This annual report has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.*

The contact person for the Sponsor is Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

*All $ in this annual report of the Annica Holdings Limited ("**Annual Report**") refers to Singapore Dollars unless otherwise specified.*

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LETTER TO SHAREHOLDERS

Dear Valued Shareholders of the Company,

FY2024: A YEAR OF RESILIENCE AND STRATEGIC GROWTH

On behalf of the board of directors ("**Board**" or "**Directors**") of Annica Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**" or "**Annica**"), we are pleased to present our annual update for the financial year ended 31 December ("**FY**") 2024. This year has been a testament to our resilience amidst global challenges, with significant strides made in both our Oil and Gas Equipment and Engineering Services ("**Integrated Engineering Solutions Segment**") and Green Technology and Renewable Energy ("**Renewable Segment**"). We are excited to share our financial performance, key achievements, and vision for the future as we continue to navigate a rapidly evolving landscape.

SHINING A LIGHT: FINANCIAL PERFORMANCE IN FOCUS

In FY2024, Annica recorded a revenue of $12.6 million, a 20% decrease from $15.8 million in FY2023, entirely driven by our Integrated Engineering Solutions Segment. The Renewable Segment, whilst achieving strategic progress, recorded limited financial contributions to the Group this year.

Our total comprehensive income attributable to equity holders of the Company improved significantly, from a total comprehensive loss of $1.4 million in FY2023 to a total comprehensive income of $0.1 million in FY2024. This turnaround was primarily driven by the recovery of $2.0 million in bad debts from other receivables, alongside cost management efforts that mitigated the impact of lower revenue. The Group's total assets as at 31 December 2024 stood at $10.4 million, reflecting a stable asset base despite market challenges. Meanwhile, the Group's net assets increased by $2.6 million, shifting from a net liabilities position of $0.5 million as at 31 December 2023 to a net assets position of $2.1 million as at 31 December 2024. This improvement was largely due to strategic debt conversion and debt settlement initiatives undertaken during FY2024, which strengthened our balance sheet and enhanced financial stability. These efforts underscore our commitment to delivering growth in a challenging environment and we remain focused on enhancing profitability in FY2025 through cost optimisation, operational efficiencies, and strategic expansion into high-growth areas such as renewable energy and waste tyre recycling.

POWERING THE FUTURE: RENEWABLE SEGMENT HIGHLIGHTS

Driven primarily by the Company's subsidiaries in the green hydrogen space (the "**H2EI Group**"), our Renewable Segment achieved the following significant milestones in FY2024, positioning Annica as one of the leaders in clean energy solutions:

- **9 January 2024:** H2EI Group signed a non-disclosure agreement and a memorandum of understanding ("**MoU**") with Universiti Kebangsaan Malaysia (UKM), fostering collaboration on hydrogen technology research. This partnership has laid the groundwork for advancing innovative hydrogen solutions and strengthening our applied research capabilities in sustainable energy;

- **16-18 April 2024:** H2EI Group attended the World Future Energy Summit 2024 hosted in Abu Dhabi, United Arab Emirates, a premier convention for energy and sustainability, to support our partner, Ultra Energy Limited ("**Ultra Energy**"), at their exhibition booth. We promoted our H2Energy system at the event while further forging our alliances with Ultra Energy to explore opportunities in desert farmland, notably optimising long-hour irradiance for green power generation. Ultra Energy recognised H2EI Group as a valued technology partner, noting that our expertise and innovative technologies significantly contributed to the success of their exhibit, paving the way for further collaborations between the Company and Ultra Energy in the energy sector;

- **10-12 June 2024:** H2EI Group exhibited at the Asia Pacific Green Hydrogen Conference 2024 ("**APGH Conference**") hosted in Kuching, Sarawak, Malaysia, which was themed around advancing green hydrogen as a sustainable energy solution in Asia. H2EI Group played a key role by showcasing its green hydrogen technologies, strengthening partnerships, and positioning itself as one of the leaders in the sector, contributing to the regional push for decarbonisation and clean energy transition. During the event, on 10 June 2024, H2EI Group entered into a MoU with the Institute of Sustainable and Renewable Energy (ISuRE) and Universiti Malaysia Sarawak (UNIMAS) to develop a green hydrogen system for Kampung Assum, Sarawak, Malaysia. The project themed, ***"Green Hydrogen System Development in Kampung Assum, Sarawak"***, integrates micro-hydro, solar, and green hydrogen to foster a sustainable, low-carbon economy. We were honoured to exchange the MoU documents in the presence of His Honourable the Premier of Sarawak, Malaysia, and we look forward to this collaboration transforming lives in these communities, with hopes of many more such initiatives in the future;

- **22 October 2024:** H2EI Group signed a MoU with SunGreenH2 during the Asia Carbon Summit at the Asia Clean Energy Summit (ACES) 2024 hosted in Singapore. This collaboration focusses on advancing renewable energy and off-grid electrification projects for rural communities and facilities in Malaysia,

LETTER TO SHAREHOLDERS

with plans to expand to the United Arab Emirates, and other countries. The partnership includes the commission, development, operation, and maintenance of an assembly facility in Malaysia for hydrogen electrolysers, alongside potential expansion to other territories for future projects; and

- **25-26 February 2025:** H2EI Group participated in the EIC Connect Energy Borneo 2025 with the theme: **"*Powering Borneo Energy Future as ASEAN's Sustainable Energy Hub*"**, a cornerstone event for industry leaders, innovators, and stakeholders. During the strategic conference held in the EIC Connect Energy Borneo 2025, we were privileged to execute an MoU with Best Integrated Engineer Solution & Supplies Sdn Bhd ("**BIESS**"), which was witnessed by the Premier of Sarawak of Malaysia. This collaboration fosters opportunities, driving progress in energy security, affordability, and sustainability, and reinforcing our commitment to advancing renewable energy solutions in the Borneo region.

Following our advancements in the green hydrogen space, we continued to strengthen our Renewable Segment during FY2024. On 14 August 2024, the Company acquired ten (10) sets of vertical automatic waste tyre pyrolysis production lines ("**Production Lines**") through a debt settlement, marking a strategic expansion into waste tyre recycling. This initiative underscores our commitment to a Circular Economy Solution, a systemic approach that minimises waste, maximises resource efficiency, and promotes sustainability by keeping materials in continuous use—transforming waste tyres into valuable resources such as pyrolysis oil, carbon black, and steel, while reducing environmental impact. Operations are slated to commence in FY2025 and are expected to enhance the Group's financial performance. In conjuction with this debt settlement, as announced by the Company on 7 March 2025, the Company had entered into a conditional asset purchase agreement with GPL Industries Sdn Bhd ("**GPL Industries**") for the proposed acquisition of four (4) Production Lines owned by GPL Industries, to expand revenue streams and maximize the economic return and long-term interest of shareholders of the Company. Barring unforeseen circumstances, the Company targets to complete the acquisition in due course.

ENGINEERING EXCELLENCE: INTEGRATED ENGINEERING SOLUTIONS MILESTONES

The Integrated Engineering Solutions Segment, primarily comprising of subsidiaries organised under P.J. Services Pte Ltd ("**PJS**", and together with its subsidiaries, the "**PJ Group**"), delivered outstanding achievements in FY2024, driving our financial performance and regional presence:

- **Expansion in Brunei:** Our subsidiary, Panah Jaya Makmur Sdn Bhd ("**PJM**"), has moved into a new one-acre facility, a site which is four times larger than our previous facility, to cater for the increased demand from our customers and to provide a greater range of services efficiently;

- **Refurbishment Success:** In 2024, we completed the refurbishment of total of 51 The Pipe Line Development Company ("**PLIDCO**") clamps, which 33 PLIDCO clamps was refurbished for a major oil and gas client in Malaysia, showcasing the synergy of the PJ Group: Panah Jaya Services Sdn Bhd ("**PJKL**") managed the project, PJS handled engineering and

LETTER TO SHAREHOLDERS

parts, and executed the refurbishment at our new facility in Brunei—our first PLIDCO refurbishment project there;

- **40 Years with PLIDCO:** We celebrated 40 years of partnership with PLIDCO, reflecting our trusted industry reputation; and

- **Services in Indonesia:** PT Panah Jaya Sejahtera ("**PTPJS**") first established its facility in Batam with a core focus on providing Engineering Construction Industry Training Board Mechanical Joint Integrity training, as well as the rental and supply of hydraulic bolting equipment. These initial services positioned PTPJS as a reliable partner for training and tooling in the mechanical joint integrity space. In 2024, PTPJS expanded its operations to meet the growing needs of the local industry, particularly in the marine and offshore sectors. We began offering bolting services for shipyards in Batam, supported by the provision of skilled manpower to carry out on-site operations. This strategic growth has allowed PTPJS to evolve from a training and equipment provider into a comprehensive bolting solutions provider, delivering end-to-end support from competency development to execution for our clients.

GREEN HEART, STRONG ROOTS: OUR ESG COMMITMENT

We remain deeply committed to environmental, social, and governance ("**ESG**") principles, with sustainability embedded as a core component of our operations. In FY2024, we participated in several impactful initiatives, including a mangrove tree planting event at the Kuala Selangor Nature Park on 19 November 2024 and a blood donation drive held in Sarawak, Malaysia on 23 March 2024. These efforts build on our history of community support, such as flood relief efforts in Kuala Lumpur, Malaysia and Selangor, Malaysia during FY2021. Collectively, these initiatives underscore the Company's dedication to environmental conservation and social responsibility. We continue to explore ways to reduce our carbon footprint and enhance community well-being, aligning with global sustainability goals.

NAVIGATING HORIZONS: OPPORTUNITIES AND RISKS

- **Opportunities:** The global push towards achieving net-zero emissions by 2050, exemplified by initiatives like India's target of 500 GW of renewable energy capacity by 2030[1], offers significant growth potential for our Renewable Segment. The rising adoption of green hydrogen, supported by events like the APGH Conference, positions H2EI Group as a key player in Southeast Asia's energy transition into renewable energy. Our expanded facilities in Brunei and the services in Indonesia enhance our ability to capture opportunities in the oil and gas sector, particularly in maintenance and refurbishment projects. The MoU with BIESS underscores the growing demand and opportunities for off-grid renewable solutions, positioning H2EI Group as a vital contributor to the Borneo Energy Hub, encompassing Malaysia, Brunei, and Indonesia, where cross-border collaboration is driving sustainable energy innovation and opening new markets for our solutions.

- **Risks:** In addition to the current geopolitical conflicts, such as the ongoing tensions in the Middle East and the Russia-Ukraine war that has disrupted the supply chain, driving up raw material prices and delaying project timelines. The imposition of reciprocal tariffs announced by United States of America recently may result in a moderate to significant impact on the economy and business. The Group is constantly evolving to remain competitive focusing on innovation, improving quality and offering more advance or specialised products and services while exploring new markets.

LOOKING AHEAD: LEADERSHIP, GRATITUDE, AND OUR VISION FOR 2025

As we step into FY2025, we are well-positioned to capitalise on the global shift towards sustainable energy and infrastructure development. We would like to take this opportunity to express our heartfelt gratitude to Mr. Su Jun Ming ("**Mr. Su**"), who stepped down as our Lead Independent and Non-Executive Director with effect from

1 https://www.forbes.com/sites/gauravsharma/2025/02/12/indias-modi-renews-pledge-of-500-gw-green-energy-capacity-by-2030/

LETTER TO SHAREHOLDERS

8 January 2025 after serving with dedication and wisdom for nearly nine (9) years since his initial appointment on 20 January 2016. Mr. Su's contributions have been invaluable in guiding Annica through its strategic evolution, and we wish him the very best in his future endeavours.

Meanwhile, we are delighted to welcome Ms. Randell Leong ("**Ms. Leong**"), who joined the Board as an Independent and Non-Executive Director with effect from 6 February 2025. Ms. Leong brings extensive experience in corporate governance and sustainability, having held leadership roles in the renewable energy sector. Her expertise will strengthen our Board's oversight, particularly as we accelerate our growth in green hydrogen and sustainable solutions, ensuring continued progress towards our long-term goals.

H2 Energy Sdn Bhd proudly receives the National Energy Award 2023 for Renewable Energy – Special Submission, a recognition of our commitment to sustainable innovation, presented on 8th March 2023 by YAB Dato' Sri Haji Fadillah Haji Yusof, Deputy Prime Minister and Minister of Energy Transition and Water Transformation.

We also extend our deepest appreciation to our staff, Directors, and partners for their unwavering commitment and hard work throughout FY2024. Your dedication has been instrumental in achieving our milestones, from expanding our engineering capabilities to laying the foundation for our renewable energy future. Together, we have navigated challenges and seized opportunities, and we are immensely grateful for your contributions to Annica's success.

Our strategic partnerships, expanded operations, and ESG commitment will drive growth in both our Renewable Segment and Integrated Engineering Solutions Segment in the coming years. With the waste tyre recycling business set to commence in FY2025, we anticipate a positive contribution to our financial performance, further diversifying our revenue streams. We are optimistic about enhancing our overall financial performance by leveraging new opportunities in green hydrogen, waste tyre recycling, and regional expansion, whilst maintaining a disciplined approach to cost management. We thank you for your continued support and look forward to welcoming you as valued shareholders in this transformative journey.

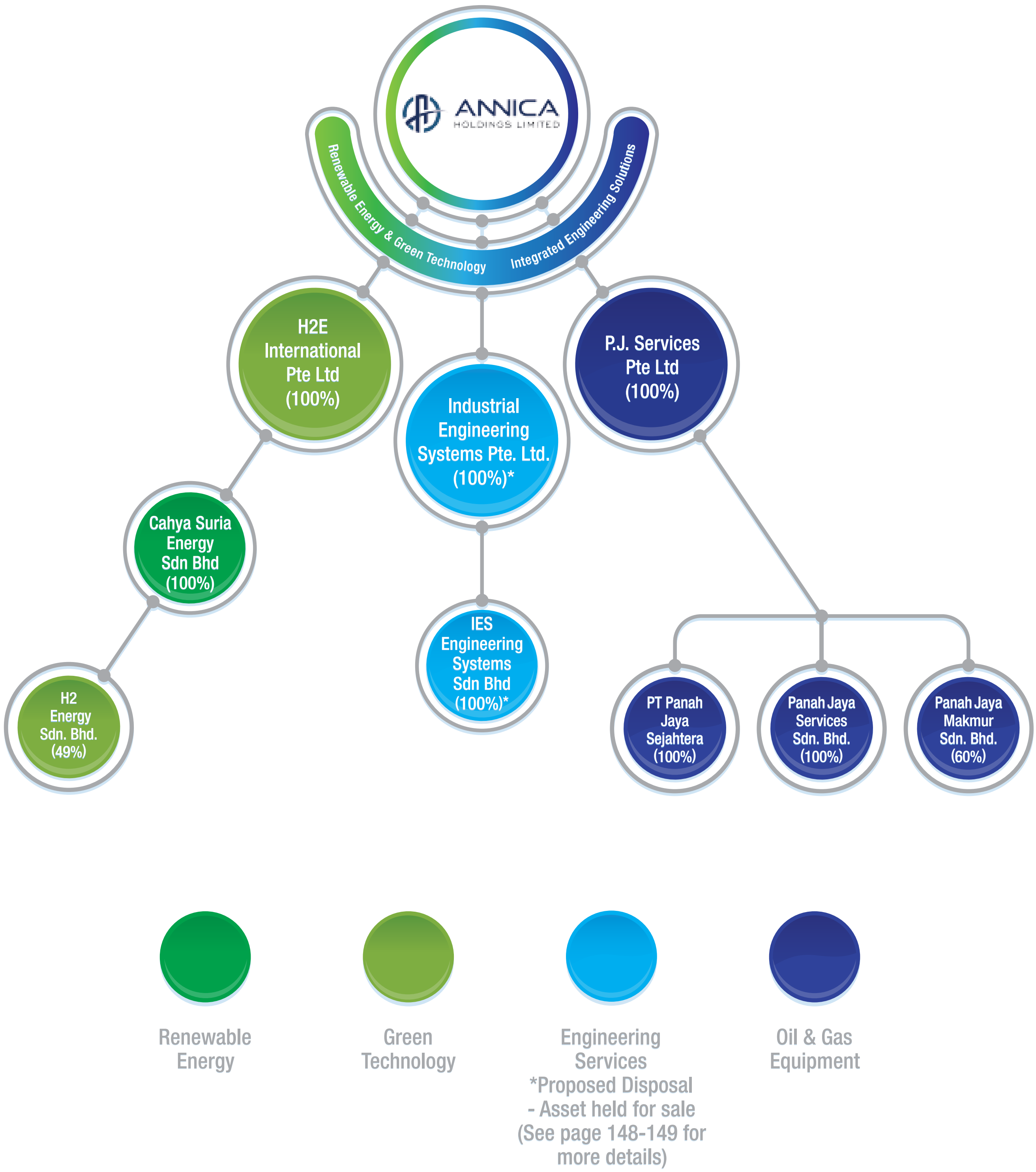
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin
Independent and Non-Executive Chairman

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

11 April 2025

CORPORATE STRUCTURE

As at 31 December 2024



FINANCIAL REVIEW

COMPREHENSIVE INCOME

During the financial year ended 31 December 2024 ("**FY2024**"), the Group posted total revenues of $12.6 million, a 20% decrease from the preceding financial year ended 31 December 2023 ("**FY2023**"), from the contribution of the Group's primary business segments of oil and gas equipment. The higher revenue recorded in FY2023 was mainly due to the recognition of one-off projects that are high revenue and low margin which are absent in FY2024. The Group's gross profit margin was 42% in FY2024, representing an increase of 7% from 35% in FY2023, and this was, again, due to higher gross profit margin projects in the oil and gas equipment segment in FY2024. The Group's total comprehensive income attributable to equity holders of the Company was $0.1 million in FY2024, as compared to a total comprehensive loss of $1.4 million in FY2023 mainly due to a bad debt recovered of $2 million in FY2024.

FINANCIAL POSITION

The Group's FY2024 and FY2023 total assets stood at $10.4 million and $12.1 million respectively. The Group's net assets increased by $2.6 million from a net liabilities position of $0.5 million as at FY2023 to a net assets position of $2.1 million as at FY2024. This improvement was largely due to strategic debt conversion and debt settlement initiatives undertaken during the FY2024.

CASH FLOWS

The Group held cash and cash equivalents and fixed deposits of an aggregate amount of $2.1 million as at the end of FY2024, as compared to $3.4 million as at the end of FY2023.

OTHER MATTERS

Other than as disclosed in the audited financial statements to this Annual Report and the Company's announcement on 11 April 2025 in relation to the material variances between the Group's audited and unaudited financial statements for FY2024, there is no other significant development subsequent to the release of the Group's unaudited condensed interim consolidated financial statements for FY2024, as announced on 28 February 2025, which would materially affect the Group's and the Company's operating and financial performance as of 11 April 2025, being the date of the Directors' Statement on pages 83 to 89 of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
(Independent and Non-Executive Chairman)

Sandra Liz Hon Ai Ling
(Executive Director and Chief Executive Officer)

Lim In Chong
(Non-Independent and Non-Executive Director)

Robin Stevens
(Lead Independent and Non-Executive Director)

Randell Leong
(Independent and Non-Executive Director)

COMPANY SECRETARY
Tan Poh Chye Allan

AUDIT COMMITTEE
Robin Stevens *(Chairman)*
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin *(Member)*
Randell Leong *(Member)*

NOMINATING COMMITTEE
Randell Leong *(Chairman)*
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin *(Member)*
Robin Stevens *(Member)*

REMUNERATION COMMITTEE
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin *(Chairman)*
Robin Stevens *(Member)*
Randell Leong *(Member)*

DATE OF INCORPORATION
20 August 1983

COMPANY REGISTRATION NUMBER
198304025N

SHARE LISTING
Listed on the Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ), now known as the Catalist board of the SGX-ST, on 11 April 2001

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Email: prinfo@annica.com.sg
Website: www.annica.com.sg

AUDITOR
PKF-CAP LLP
6 Shenton Way OUE Downtown 1,
#38-01, Singapore 068809

Partner-in-charge:
Jonathan Lim Ryh Jye
(Appointed from the financial year ended 31 December 2023)

SHARE REGISTRAR
B.A.C.S. Private Limited
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#06-03 Robinson 77
Singapore 068896

CONTINUING SPONSOR
ZICO Capital Pte. Ltd.
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SOLICITORS
Altum Law Corporation
160 Robinson Road
#26-06 SBF Center
Singapore 068914

PRINCIPAL BANKER
DBS Bank Ltd
12 Marina Boulevard
DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982

CIMB Bank Berhad
50 Raffles Place
#01-02 Singapore Land Tower
Singapore 048623

SUSTAINABILITY REPORT

1. Board Statement

The board of directors ("**Board**" or "**Directors**") of Annica Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**" or "**Annica**") reaffirm our commitment to sustainability with the publication of this sustainability report for the financial year ("**FY**") ended 31 December 2024 ("**Report**").

This Report sets out the Group's approach to conducting its business with due considerations to material sustainability factors ("**Sustainability Factors**"), under the sustainability pillars of economic, environmental, social and governance ("**EESG**"). It further seeks to provide stakeholders with an accurate and meaningful overview on the Group's management of its sustainability issues.

The Board, having duly considered the Group's sustainability issues as part of its strategic formulation, and business strategies, has determined the material Sustainability Factors and overseen the management and monitoring of its material Sustainability Factors. In view of today's dynamic business environment, the Board remains committed to supporting the management of the Company in upholding good governance and sustainability practices to achieve long-term success and value for our stakeholders.

Furthermore, this Report communicates the Group's support towards the United Nations' Sustainable Development Goals ("**SDGs**"). As we collaborate closely with our stakeholders throughout the value chain, their respective inputs guide in prioritising our material Sustainability Factors and directing our sustainability initiatives.

The illustration below shows the interaction between our sustainability framework, material Sustainability Factors, stakeholders and the relevant SDGs:

SUSTAINABILITY REPORT

2. Sustainability Performance at a Glance

A summary of our EESG performance is as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2024	FY2023
Economic	Adoption of market standards relevant to the Group's operations	Adopted relevant market standards in our operations	Adopted relevant market standards in our operations
	Economic value generated[1] ($'million)	15.50	16.39[3]
	Operating costs[2] ($'million)	11.99	11.55[3]
	Employee benefits expenses ($'million)	2.78	2.42[3]
	Payments to providers of capital[4] ($'million)	0.37	0.21[3]
	Tax paid to governments ($'million)	0.19	0.11
Environmental	Water consumption intensity (m^3/total number of employees)	24.1	22.8[5]
	Aggregated absolute Scope 1 and 2 greenhouse gas ("**GHG**") emissions (tonnes CO2e ("**tCO_2e**"))	73.74	70.5[5]
	Direct GHG emissions intensity (Scope 1) (tCO_2e/ revenue $'000)	<0.001	<0.001
	Indirect GHG emissions intensity (Scope 2) (tCO_2e/floor area m^2)	0.05	0.06
Social	Number of workplace fatalities	–	–
	Number of high consequence work-related injuries[6]	–	–
	Number of recordable work-related injuries	–	–
	Number of recordable work-related ill-health cases[7]	–	–
	Employee turnover rate	4%	10%
	Number of incidents of unlawful discrimination against employees[8]	–	–
Governance	Number of incidents of serious offences[9]	–	–
	Number of incidents of non-compliance with any applicable laws and regulations[10] that resulted in significant fines or non-monetary sanctions	–	–

1 Economic value generated includes revenue, other income, gains and interest income, net of government grants and foreign currency exchange loss.

2 Operating costs include cost of sales, selling and distribution expenses, administrative and general expenses and other expenses, net of depreciation of property, plant and equipment, right-of-use asset, bad debt written off and recovered, reversal of withholding tax expenses, fair value loss and impairment loss, net employee benefit expenses.

3 Figure has been represented to exclude discontinued operation.

4 Payments to providers of capital include interest payments to providers of financing and dividends to ordinary shareholders (if any).

5 Figure has been restated as a correction due to an inadvertent error.

6 A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within six (6) months.

7 A work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

8 An unlawful discrimination refers to an incident of discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

9 A serious offence is defined as one that involves fraud or dishonesty involving an amount not less than $100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by officers or employees of the company.

10 An accident of non-compliance excludes incidents involving fraud or dishonesty.

SUSTAINABILITY REPORT

3. Our Business

The Group's principal activities are as follows:

(i) the distribution of a comprehensive range of products and services related to oil and gas equipment;
(ii) the provision of engineering services; and
(iii) the development of renewable energy solutions for rural electrification projects.

Activities (i) and (ii) above are collectively designated as "Integrated Engineering Solutions".

The Group's operations are structured into the following business segments:

Oil and Gas Equipment Business Unit ("Oil and Gas BU")

Upstream

Our products and equipment are sourced from distributors, strategic suppliers and manufacturers in the oil and gas industry.

Operations

We distribute equipment and products, and provide related services, in the oil and gas industry.

Downstream

We sell to customers from the oil and gas exploration, production, and petrochemical industries.

Engineering Services Business Unit ("Engineering BU")

Upstream

We maintain a core team of experienced and professional engineers with a wealth of experience in technical solutions.

Operations

We specialise in design and engineering and assembling as well as testing, commissioning and servicing of bespoke solutions for offshore industries.

Downstream

We supply to customers from the oil and gas exploration, production, and petrochemical industries.

SUSTAINABILITY REPORT

Renewable Business Unit ("Renewable BU")

Upstream

We procure components for the assembly of our proprietary energy management systems.

Operations

We provide integrated renewable energy solutions powered by green hydrogen to deliver sustainable and uninterrupted energy primarily for off-grid.

Downstream

We provide uninterrupted supplies of sustainable energy to rural and/or off-grid communities and facilities.

4. Reporting Period and Scope

This Report covers the consolidated entities of the Company, as disclosed in our audited financial statements, for the financial year ended 31 December 2024 ("**FY2024**" or "**Reporting Period**").

5. Reporting Framework

This Report is prepared in accordance with Rules 711A and 711B and guided by the Sustainability Reporting Guide of Practice Note 7F of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). This Report is also prepared with reference to the Global Reporting Initiative ("**GRI**") Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting ("**SR**"). Refer to section 13 for the GRI Content Index.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainability Development which is adopted by all the United Nations members states in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for ensuring peace and prosperity for both the people and the planet, now and into the future. At its core are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the 11 recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**"). Following the publication of the International Sustainability Standards Board ("**ISSB**") Standards – International Financial Reporting Standards ("**IFRS**") S1 and IFRS S2, the Group conducted a gap analysis against our existing TCFD reporting and is in the process of aligning our climate-related disclosures with the ISSB Standards. We will be guided by the phased approach recommended by the Singapore Exchange Regulation in aligning our reporting of climate-related disclosures in accordance with ISSB Standards.

The Group relied on internal data monitoring and verification to ensure the accuracy of data and information for this Report. Internal reviews on the sustainability reporting process are incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports subject to market trends and regulatory requirements.

6. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account at prinfo@annica.com.sg.

7. Policy, Practice, and Performance Reporting

In line with our commitment to sustainability, a SR policy ("**SR Policy**") covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring the material Sustainability Factors of the Company is in place and serves as a point of reference in the conduct of our sustainability reporting process. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our stakeholder engagement, organisational and external developments.

7.1 Sustainability Governance Structure

The Board is ultimately responsible for the oversight of the Group's sustainability matters and is primarily supported by our internal ESG Committee and our SR Leadership Team. As part of our continual efforts to enhance and upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of Listing Rule 720 (6) of the Catalist Rules, we confirm that all Directors have attended at least one (1) of the Singapore Exchange Regulation's approved sustainability training courses.

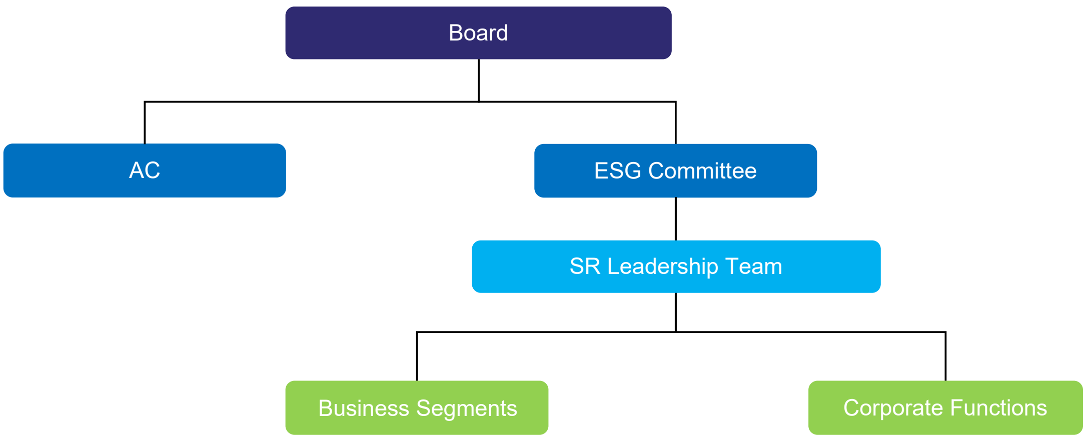
The ESG Committee is led by our Non-Executive Directors and are tasked with developing sustainability strategies, policies and to ensure that the implementation of sustainability strategies is aligned across the Company's business segments and corporate functions.

The ESG Committee is supported by a SR Leadership Team, which is led by Ms. Sandra Liz Hon Ai Ling, Executive Director and Chief Executive Officer ("**CEO**"), and reports to the ESG Committee on sustainability matters and comprise managers from relevant business segments and corporate functions on specific sustainability matters under its terms of reference ("**TOR**").

Aside from the ESG Committee and the SR Leadership Team, the Board is supported by the Audit Committee ("**AC**") on specific sustainability matters under its TOR. As we are still refining our sustainability related sustainability metric measuring and tracking mechanism, we will link the key executive's remuneration to sustainability performance when the mechanism is more mature and stable.

Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

Sustainability Governance Structure



SUSTAINABILITY REPORT

TOR of Component Parties

Component Party	Member	TOR
Board	Board members	▪ Determine material Sustainability Factors of the Group ▪ Review and approve the Group's sustainability strategies, policies and targets (including materiality assessment process and outcome) ▪ Monitor implementation of the Group's sustainability strategies, policies and performance against targets ▪ Oversee the identification and evaluation of climate-related risks and opportunities ▪ Ensure the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework ▪ Review and approve sustainability reports of the Group
Audit Committee	Audit Committee members	▪ Review the adequacy and effectiveness of the Group's internal controls and risk management systems ▪ Oversee the conduct of assurance activities pertaining to the Company's sustainability reporting processes
ESG Committee	ESG Committee members	▪ Develop the Group's sustainability strategy and policies and recommends revisions to the Board ▪ Ensure the implementation of the Group's sustainability strategy is aligned across business segments
SR Leadership Team	▪ CEO ▪ Group Financial Controller ▪ Corporate and Business Support Executive	▪ Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities ▪ Perform materiality assessment of the Company ▪ Monitor the Group's sustainability activities and performance against targets ▪ Align the Group's practices with the organisation-wide sustainability agenda and strategies ▪ Consolidate the Group's sustainability metric to track sustainability impact on a group basis and for reporting purposes ▪ Prepare the Company's sustainability reports
Business Segments/ Corporate Functions	Representatives from the information technology ("**IT**"), Sustainability Department and business segments head	▪ Align practices at the operational level with the Group's agenda and sustainability strategies ▪ Collect and compile sustainability metric to track sustainability impact and for reporting purposes

7.2 Sustainability Reporting Processes

Under our SR Policy, the sustainability reporting process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are as shown in the figure below:

7.3 Materiality Assessment

The Group constantly refines its management approach to adapt to the changing business landscape. An annual materiality assessment, as described above, is performed by the SR Leadership Team, with oversight from ESG Committee, to ensure that material Sustainability Factors disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on:

(i) the likelihood of the occurrence of actual and potential negative and positive impacts; and

(ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.

7.4 Performance Tracking and Reporting

The Group tracks the progress of its material Sustainability Factors by identifying the relevant sustainability metrics, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We consistently enhance our performance-monitoring processes and improve our data capturing systems. The sustainability report of the Group is published annually in accordance with our SR Policy.

8. Stakeholder Engagement

An important starting point in our sustainability journey is to identify the stakeholders relevant to our business. These include entities or individuals that have an interest that is affected or could be affected by our activities.

SUSTAINABILITY REPORT

Through a stakeholder mapping exercise performed, we identified our key stakeholder groups which we prioritise our engagements with. These key stakeholders include communities, customers, employees, national agencies and government bodies ("**Regulators**"), investors and shareholders ("**Shareholders**") and suppliers and service providers ("**Suppliers**").

We considered the concerns of key stakeholders when formulating our corporate strategies. We adopt both formal and informal channels of communication to understand their needs to achieve mutually beneficial outcomes.

The table below sets out how we engage our key stakeholders:

S/N	Stakeholder	Engagement Channel	Frequency of Engagement	Key Concerns Raised
1	Communities	▪ Campaigns ▪ Community initiatives	Ongoing	▪ Social inclusion ▪ Energy independence
2	Customers	▪ Customer feedback ▪ Regular meetings ▪ Email queries	Regularly	▪ Product quality and reliability ▪ Customer service standards
3	Employees	▪ Email communications ▪ Communication sessions ▪ Virtual employee meetings ▪ Employee evaluation sessions (in person and virtual)	Regularly	▪ Equal employment opportunities ▪ Job security ▪ Remuneration ▪ Safe and fair working environment ▪ Lifelong learning
4	Regulators	Consultations and briefings organised by key regulatory bodies such as the SGX-ST and relevant government agencies or bodies	Ad hoc	▪ Corporate governance ▪ Sustainable business performance ▪ ESG reporting
5	Shareholders	Annual reports	Annually	▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance
		Annual general meetings		
		Results announcements	Quarterly	
		Corporate announcements/press releases	Ad hoc	
		Other channels such as our corporate website (https://www.annica.com.sg), business publications and investor relation events	Ongoing	
6	Suppliers	▪ Email communications ▪ Phone calls ▪ Feedback from procurement team ▪ Exhibitions and trade shows	Regularly	▪ Ability to deliver products and services ▪ Maintain and expand brand presence ▪ Maximise end customers' satisfaction ▪ Fair and ethical procurement practices ▪ Order volatility

SUSTAINABILITY REPORT

9. Material Sustainability Factors

During FY2024, a materiality assessment was conducted by the SR Leadership Team to reassess and update the material Sustainability Factors. This assessment was subsequently followed by a stakeholder engagement exercise[11] undertaken to understand the concerns and expectations of our key stakeholders.

In this Report, we report the progress in managing these factors and set related targets to improve our sustainability performance. Please refer to section 10 of this Report for the targets and performance highlights pertaining to the Company's performance in FY2024.

We incorporated UN Sustainability Agenda, where applicable, as a supporting framework to shape and guide our sustainability strategy. Set out below are the results showing how our identified material Sustainability Factors relate to these SDGs:

S/N	Material Sustainability Factor	SDGs	Key Stakeholders	Our Efforts
Economic				
1	Customer Satisfaction	8 DECENT WORK AND ECONOMIC GROWTH	▪ Customers ▪ Employees ▪ Regulators ▪ Suppliers	We deliver high-quality products, provide exceptional customer service, listen to customer feedback and improve based on customers' needs and expectations.
2	Sustainable Business Performance	8 DECENT WORK AND ECONOMIC GROWTH	▪ Employees ▪ Regulators ▪ Shareholders ▪ Suppliers	We stay abreast with market trends and strive to maintain a healthy financial position while mitigating relevant business risks identified.
Environmental				
3	Water Conservation	6 CLEAN WATER AND SANITATION	▪ Communities ▪ Regulators ▪ Shareholders	We adopt responsible and efficient water management practices.
4	Responsible Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	▪ Communities ▪ Regulators ▪ Shareholders	We minimise waste and resource use to ensure that products and materials are reused, recycled, or repurposed.
5	Energy Conservation and GHG Emissions Management	13 CLIMATE ACTION	▪ Communities ▪ Regulators ▪ Shareholders	We implement practices to reduce energy consumption and lower the carbon footprint of our business operations.

11 The Company distributed an online survey to both its internal and external stakeholders of customers, employees, Suppliers and Shareholders for the materiality assessment performed.

SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	SDGs	Key Stakeholders	Our Efforts
Social				
6	Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING	▪ Employees ▪ Regulators	We implement comprehensive safety protocols and provide health and safety trainings.
7	Sustainable Transformation Through Clean Energy Solutions	7 AFFORDABLE AND CLEAN ENERGY	Communities	We set up Solar-Hydrogen Module model "H2E1" ("**H2E1 System**") at rural communities in replacement of diesel generators which is more pollutive.
8	Employee Retention and Development	8 DECENT WORK AND ECONOMIC GROWTH	Employees	We offer ongoing professional development opportunities and recognise employees' achievements to ensure long-term engagement and career advancement.
9	Diversity and Equality	10 REDUCED INEQUALITIES	Employees	We build an inclusive culture that respects individuals of all backgrounds and promote supportive environment where diverse perspectives are encouraged and celebrated.
10	Community Investment	11 SUSTAINABLE CITIES AND COMMUNITIES	Communities	We contribute to community projects and encourage employee involvement in volunteerism to create a positive impact in the communities where we operate.
Governance				
11	Corporate Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	▪ Regulators ▪ Shareholders	We ensure that business practices are aligned with legal standards and ethical principles.

9.1 Customer Satisfaction

Commitment

The Group is committed to building and retaining a loyal customer base by maximising our customers' experience through the following:

Approach and Performance

<u>Offering Industry Expertise and Comprehensive Solutions</u>

With over 41 years of experience in the industry, our Oil and Gas BU has built a reputation for providing a comprehensive range of solutions tailored to meet the diverse needs of our customers. Our Oil and Gas BU, which includes P.J. Services Sdn. Bhd. ("**PJS**"), a wholly-owned subsidiary of the Company, and its subsidiaries, continues to strive to deliver exceptional service and products with optimal value.

Our role extends beyond that of a traditional distributor by providing integrated one-stop solutions to address customer needs. We focus on expanding our business portfolio, strengthening customer relationships and adapting to evolving needs of our customers.

Key Brands under Distribution

PLIDCO, IQIP, SENSOR NETWORKS, INC, Parker, DRESSER, COORSTEK, OIL, TechnipFMC, FLOWGUARD, PRONAL, iNPIPE PRODUCTS, XTORC, TRAX, H2Energy

SUSTAINABILITY REPORT

Developing a Skilled and Experienced Team

To enhance our service offering, the Oil and Gas BU invested in developing a highly skilled team of engineers. This investment allows us to deliver value-added services through the customisation of technical solutions and the efficient management of installation processes.

Our Oil and Gas BU's training facilities based in Singapore, Indonesia and Brunei are all Engineering Construction Industry Training Board approved training providers. This accreditation allows us to offer specialised training programmes, reinforcing our commitment to upholding high standards of quality and safety in the industry.

Strengthening Partnership and Driving Sustainable Growth

Panah Jaya Services Sdn. Bhd., a wholly-owned subsidiary of PJS, is an authorised agent for Sensor Networks Inc. in Malaysia, providing supply, design, engineering, testing, commission, and training services for pipeline corrosion monitoring sensors. This partnership enhances our service offerings and strengthens our position in the region.

Adopting International Standards for our Services

Apart from offering a wide range of products, our Oil and Gas BU also places a strong emphasis on the quality of its services. The business unit adopts and complies with market standards and best practices in its operations to ensure product quality and safety. PJS and H2 Energy Sdn. Bhd. ("**H2E**"), a wholly-owned subsidiary of the Company, are ISO 9001:2015 certified and under the certification, a quality manual is in place which covers the key areas of operations such as leadership, planning, support, operation, performance evaluation and improvement. The quality manual is intended to set a benchmark for quality standards for its employees to achieve desired operational outcomes.

ISO 9001:2015 Certificate


LRQA

Certificate of Approval

This is to certify that the Management System of:

PJ Services Pte Ltd

has been approved by LRQA to the following standards:

ISO 9001:2015

The scope of this approval is applicable to:

Supply of equipment, spares, accessories and related services to oilfield, petrochemical, maritime and industrial companies. Design of pump packages.

Luis Cunha

Area Operations Manager - North Asia & SAMEA

Issued by: LRQA Limited

Registration Certificate

This is to certify that the Management System of

H2 ENERGY SDN BHD

have been assessed by MEGAOSH Certification and registered against the requirements of

ISO 9001 : 2015

Quality Management System Standard

Scope of Certification

Provision Of Solar System & H2E System Installation, Service & Maintenance

MEGAOSH

Excellence in Renewable BU

In FY2024, H2E participated in the World Future Energy Summit 2024, held in Abu Dhabi, United Arab Emirates, a well-known event focused on energy and sustainability where H2E showcased its H2E system through our technology partner Ultra Energy Limited's exhibition booth, advancing H2E's standing and visibility in the global hydrogen industry.

H2E also attended the Asian Green Hydrogen 2024 ("**APGH 2024**") event, themed "Accelerating the Green Hydrogen Economy in Asia" at the Borneo Convention Centre in Kuching, Sarawak, Malaysia. During the event, H2E showcased its green hydrogen technologies, built stronger partnerships, and established itself as a key player in the region's energy sector. This effort supported Sarawak's hydrogen goals while increasing shareholder value, informing regulatory approaches, upskilling employees, and offering communities cleaner energy and economic benefits.

During APGH 2024, the Institute of Sustainable and Renewable Energy of Universiti Malaysia Sarawak and H2E signed a memorandum of understanding to develop a green hydrogen system for Kampung Assum, a village in Sarawak, Malaysia. This project will explore the integration of micro-hydro, solar and green hydrogen systems towards advancing sustainable development, improve the quality of life of rural communities while contributing to the reduction of GHG emissions in alignment with Sarawak's sustainability objectives.

H2E International Pte Ltd also entered a strategic partnership with SunGreenH2 at the Asia Clean Energy Summit ("**ACES**") in Singapore during the Reporting Period. This collaboration is envisaged to integrate SunGreenH2's advanced electrolyser technology into H2E's systems to provide affordable, scalable green hydrogen solutions, targeting rural and decentralised electrification to decarbonise energy systems, starting with Southeast Asia and expanding worldwide, reinforcing the Group's commitment to clean, renewable energy for a sustainable future.

For further details on our H2E1 systems, please refer to Section 9.7 of this Report titled "Sustainable Transformation Through Clean Energy Solutions".

SUSTAINABILITY REPORT

9.2 Sustainable Business Performance

Commitment

The Group is committed to create a long-term economic value for our stakeholders by dedicating our efforts on building a sustainable business model and brand.

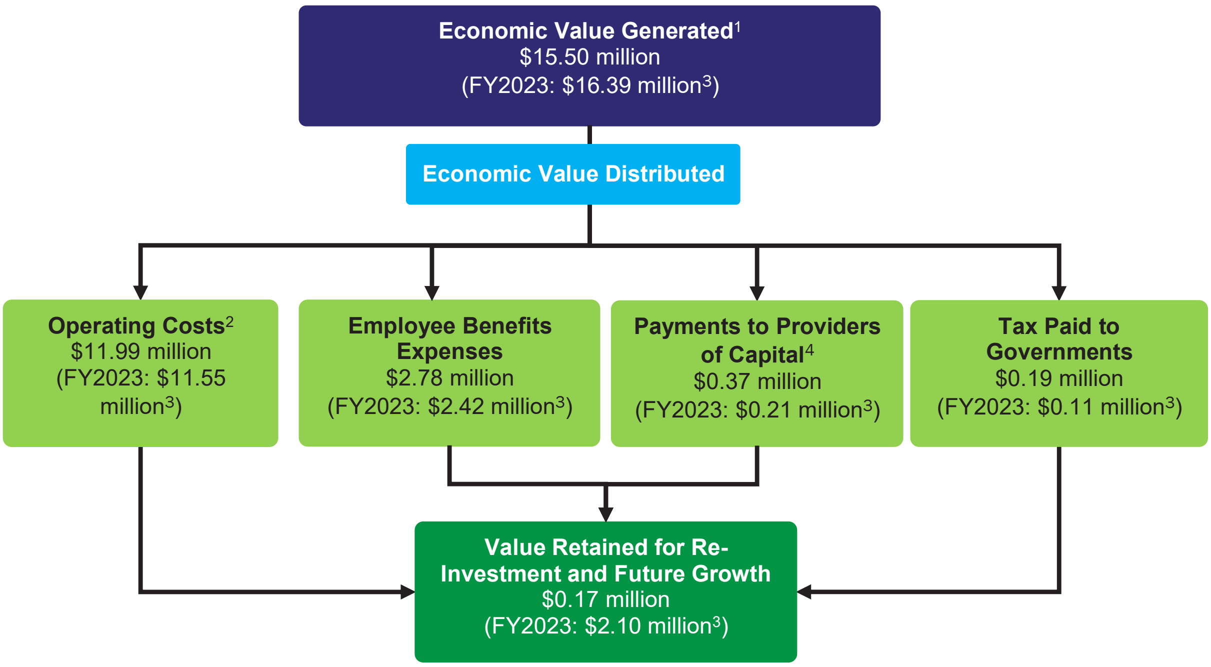
Approach

Since FY2017, our management has embarked on a diversification initiative into the Renewable Segment. This move was designed to reduce our reliance on the Integrated Engineering Solutions business segment, and therefore provide Shareholders with diversified returns and enhance shareholders' value.

Concurrently, we are continuing a strategic plan to reset and reshape our Integrated Engineering Solutions segment, broadening its scope to serve an expanded range of markets along our value chain. This strategy has involved refining our service offerings, optimising operational efficiency, and streamlining costs to strengthen the business segment's competitiveness. As a result, we have achieved notable increases in both revenue and profitability within this segment. The expanded service portfolio, coupled with disciplined cost management, has enabled us to tap into new customer bases and industries, reinforcing the Integrated Engineering Solutions Segment's resilience and contribution to the Group's overall financial performance. Together, these dual efforts, namely the diversification into green technology and revitalisation of our core engineering operations, reflect our commitment to balancing innovation with stability, delivering sustainable growth, and maximising value for our stakeholders.

Performance

In line with this commitment, economic value generated[1] by the Group in FY2024 is distributed as follows to achieve a more sustainable future for the Group:



Refer to the financial statements in this annual report for the Group's financial performance and financial risk management disclosure on our efforts and progress in maintaining financial sustainability.

9.3 Water Conservation

Commitment

The Group is committed to responsible usage of water resources through enhancing our water consumption efficiency.

Approach

Our water sources are primarily derived from relevant third-party municipal water sources in the relevant countries[12] and utilise for the following purposes:

- office usage; and
- sanitation purposes.

Water consumption trends are regularly tracked and analysed, and corrective actions are taken when unusual consumption patterns are observed.

Performance

Key statistics on the Group's water consumption during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2024	FY2023[5]
Water consumption	m^3	1,371	1,186
Water consumption intensity	m^3/number of employees	24.1	22.8

During the Reporting Period, the increase in our total water consumption, combined with a less than proportional increase in number of employees, led to an increase in our water consumption intensity. The increase in the total water consumption is mainly due to a water leakage in the piping system of an office's washroom. Upon realisation, we took immediate action to fix the leakage and reminded our employees to highlight such issues to prevent recurrence.

9.4 Responsible Waste Management

Commitment

The Group is committed to waste reduction in our operations to minimise the impact of our operations to the environment.

Approach

We recognise the importance of waste management and believe that is essential to integrate waste reduction practices in our daily business operations. In line with the Singapore government's vision of becoming a Zero Waste Nation, we take steps in building an eco-friendly business by adopting the approach of 'reduce reuse and recycle', encouraging the use of e-mails, e-fax and promoting a 'think before you print/copy' culture amongst the employees of the Company.

Performance

Key statistics on waste generated during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2024	FY2023
Waste generated	tonnes	0.40	Not applicable ("**NA**")[13]
Waste generated intensity	tonnes/number of employees	0.007	NA[13]

[12] Countries include Singapore, Malaysia, Brunei and Indonesia. Disclosure on water drawn from water stress areas is not made as it is not applicable. The Group does not contribute significantly to the ability of any of the country in which it operates in, to meet the human and ecological demand for water.

[13] Comparative data is not available as such information was not tracked previously in FY2023.

SUSTAINABILITY REPORT

9.5 Energy Conservation and GHG Emissions Management

Commitment

The Group is committed to reducing its carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

Approach

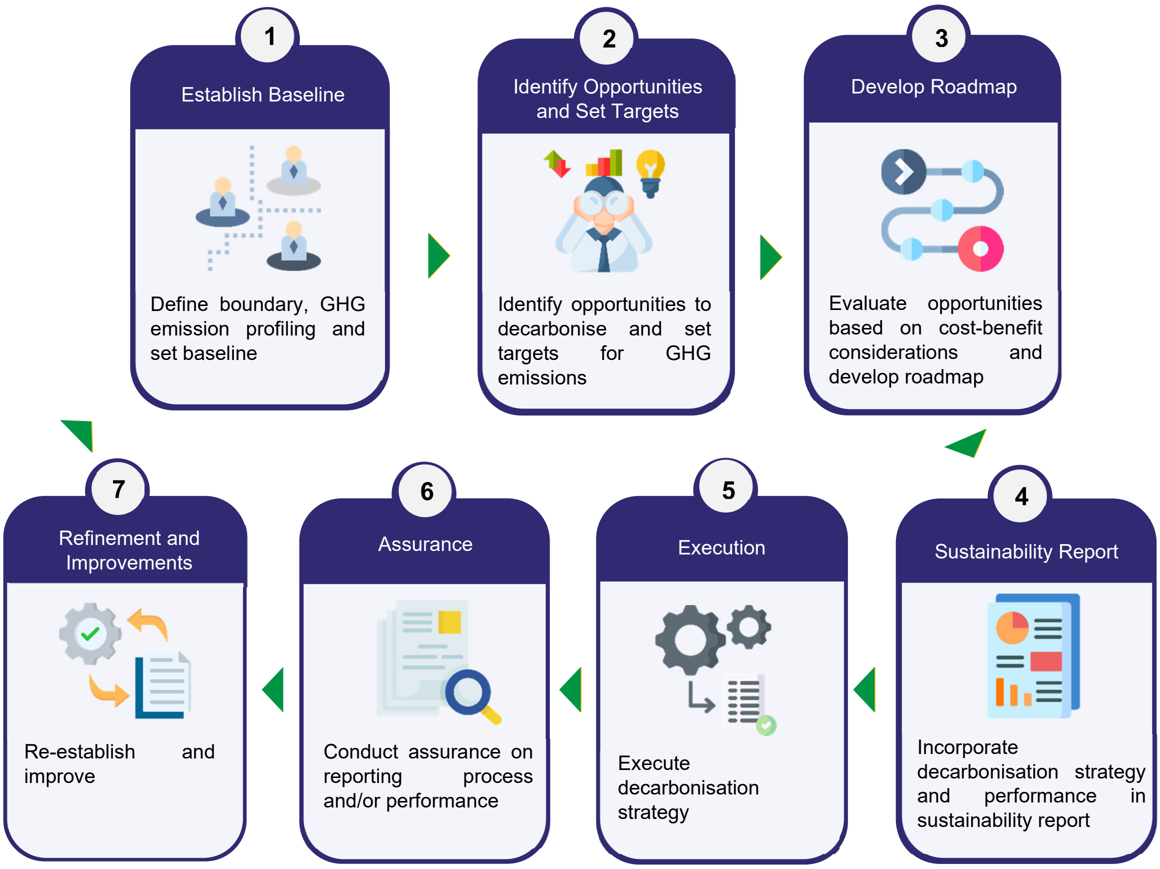
We aim to reduce our carbon footprint and at the same time, strengthen operational resilience to deliver long-term and sustainable value to our stakeholders of communities, customers, employees, Shareholders and Suppliers. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

We rely mainly on the following energy sources to run our operations:

- petrol fuel for the use of motor vehicles; and
- purchased electricity for operating equipment, office essentials such as lighting, equipment, air-conditioning and accommodation for employees.

<u>Decarbonisation Approach</u>

In pursuit of energy conservation and effective management of our GHG emissions, we have set up a seven (7) steps circular process as follows:



On a yearly basis, we update our GHG emissions profile for our Scope 1, 2 and 3 GHG emissions based on defined organisational boundaries. We will also conduct a GHG emissions profiling exercise whenever there are significant changes in our business models and work processes.

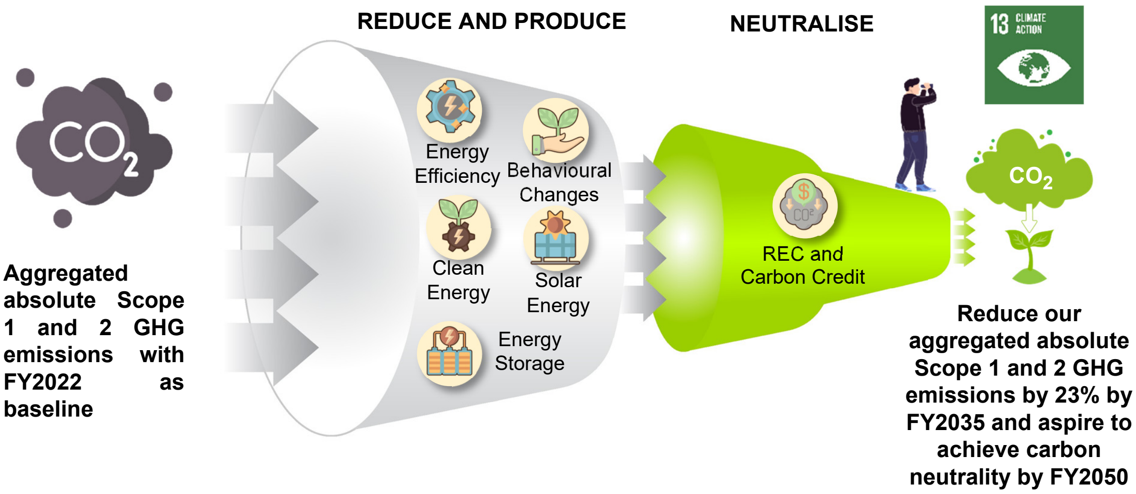
SUSTAINABILITY REPORT

We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanism to track our other categories of our scope 3 GHG emissions, where relevant and practicable. We also developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). We adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach is selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have assessed that we have operational control over the entities covered.

Climate Change Transition Plan

Our climate change transition plan steers us on our decarbonisation journey. Under this plan, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 23% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2022 as our baseline. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



Details of our strategic levers adopted in our climate change transition plan are as follows:

Lever	Reduce	Produce	Neutralise
Focus Area	▪ Energy efficiency – Lighting – Cooling – Vehicles ▪ Behavioural changes ▪ Clean energy	▪ Solar energy ▪ Energy storage	▪ Renewable energy certificates (“**REC**”) ▪ Carbon credits

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Our action plans by lever and focus areas are as follows:

Lever	Focus Area	Action Plan
Reduce	Energy efficiency – Lighting	Our action plans on this front include: ▪ Switching to energy-efficient light emitting diode wherever possible; and ▪ Installing motion sensors in our lighting system.
	Energy efficiency – Cooling	Our action plans on this front include: ▪ Install centralised air conditioning systems which have a lower consumption rate and higher energy efficiency; and ▪ Routine maintenance of filters for air-conditioning systems to reduce air flow resistance.
	Energy efficiency – Vehicles	We developed an electric vehicle plan to convert 50% of internal combustion vehicles to electric vehicles by FY2035, with a goal of achieving 100% conversion by FY2050, subject to market conditions and technological advancements.
	Behavioural changes	We constantly remind our employees on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
	Clean energy	We constantly explore opportunities to source for clean and/or renewable energy where we operate in.
Produce	Solar energy	We will explore the installation of solar panels on office buildings to further reduce our GHG emissions.
	Energy storage	We are providers of energy storage solutions and will explore ways of introducing cost-effective solutions that are deployable at our own operations in addition to providing such solutions to our customers.
Neutralise	▪ REC ▪ Carbon credits	We plan to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

Performance

Key statistics on our energy consumption and GHG emissions during the Reporting Period are as follows:

(i) *Energy Consumption*

Sustainability Metric	FY2024		FY2023	
	GJ	%	GJ	%
Petrol consumption (fleet[14])	144	28	121[15]	25[15]
Petrol consumption (non-fleet[16])	17	3		
Electricity (purchased) consumption	363	69	369	75
Total energy consumption	524	100	490	100

[14] Petrol consumption (fleet) refers to consumption from vehicles such as cars and motorcycles.

[15] The distinction between petrol consumption arising from fleet and non-fleet is not made as the data was not separately tracked in the prior Reporting Period.

[16] Petrol consumption (non-fleet) refers to consumption from off-road equipment, including stationary rigs, generators and mounted equipment.

(ii) *Energy Consumption Intensity*

Sustainability Metric	Unit of Measurement	2024	2023
Petrol consumption intensity (fleet[14])	GJ/revenue $'000	0.011	<0.008
Petrol consumption intensity (non-fleet[16])	GJ/revenue $'000	0.001	
Purchased electricity consumption intensity	GJ/floor area m^2	0.02	0.03

(iii) *GHG Emissions and Intensity*

Sustainability Metric	Unit of Measurement	2024	2023
Direct GHG emissions (Scope 1)[17]	tCO_2e	11.39	8.60[5]
Indirect GHG emissions (Scope 2)[18]	tCO_2e	62.35	61.95[5]
Aggregated absolute GHG emissions (Scope 1 and 2)	tCO_2e	73.74	70.55[5]
Direct GHG emissions intensity (Scope 1)	tCO_2e/revenue $'000	<0.001	<0.001
Indirect GHG emissions intensity (Scope 2)	tCO_2e/floor area m^2	0.05	0.06

During the Reporting Period, the aggregated absolute GHG emissions increased due to an increase in fuel consumption and business travel by motor vehicles. Despite the increase, the GHG emissions intensity decreased slightly as compared to the prior Reporting Period.

During the Reporting Period, we expanded our indirect GHG emissions (Scope 3)[19] to include category 5: Waste generated in operations and expanded the coverage of category 6: Business travel and category 7: Employee commuting as follows:

Category	Coverage	FY2024	FY2023
		tCO_2e	
Category 3: Fuel and energy-related activities	Transmission and distribution losses	1.90	1.91
Category 5: Waste generated	Paper, cardboard, plastic and commercial waste	0.42	NA[20]
Category 6: Business travel	Air travel	68.95	NA[20]
Category 7: Employee commuting	Transportation of employees between their homes and worksites	62.30	NA[20]

17 The direct GHG emissions from consumption of petrol controlled by a reporting entity (Scope 1) are calculated based on the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

18 The indirect GHG emissions from electricity purchased by a reporting entity (Scope 2) are calculated using the location-based methods based on the GHG emissions factors published by the relevant local authorities.

19 The indirect GHG emissions (Scope 3) are calculated using a mix of calculation tools from the United Nations Framework Convention on Climate Change GHG emissions Calculator, GHG Protocol Transport Tool, International Civil Aviation Organization Carbon Emissions Calculator and emission factors from National Environment Agency Singapore and Department for Environment, Food & Rural Affairs, United Kingdom.

SUSTAINABILITY REPORT

9.6 Occupational Health and Safety

Commitment

The Group is committed to creating a workplace that allows employees to perform and develop in a safe and healthy environment.

Approach

We implemented the following key measures to manage health and safety at our workplaces:

- Health and safety training courses;
- Occupational health and safety procedures; and
- An emergency response plan is in place for fire safety.

Performance

Key statistics on our work-related injuries and ill health cases are as follows:

Sustainability Metric	FY2024	FY2023
Number of workplace fatalities	–	–
Number of high consequence work-related injuries[6]	–	–
Number of recordable work-related injuries	–	–
Number of recordable work-related ill health cases[7]	–	–

9.7 Sustainable Transformation Through Clean Energy Solutions

Commitment

The Group is committed to drive sustainable transformation through clean energy solutions.

Approach

As part of our mission to improve energy independence in rural communities, and business diversification into the Renewable BU, we undertook the following initiatives:

Rural Electrification Project in Sarawak, Malaysia

Through our subsidiary, H2E, we secured the support of the Sarawak State Health Department under Malaysia's Ministry of Health to launch a pilot project for electrifying clinics in rural, off-grid communities in Sarawak (the "**Pilot Project**"). Engaging stakeholders such as the Sarawak governmental agencies and affected communities, the Pilot Project tackles the Energy Trilemma—energy security, affordability, and sustainability—by aiming to: (i) provide reliable, clean, and affordable electricity access for rural communities, ensuring energy security through consistent power supply, affordability via cost-effective solutions, and sustainability with green technology; and (ii) create a market and opportunity for private and public stakeholders to collaborate in rural electrification, fostering scalable models that balance these three dimensions for long-term impact. Additionally, it fosters a scalable model, opening opportunities for public and private stakeholders to drive rural electrification across the region.

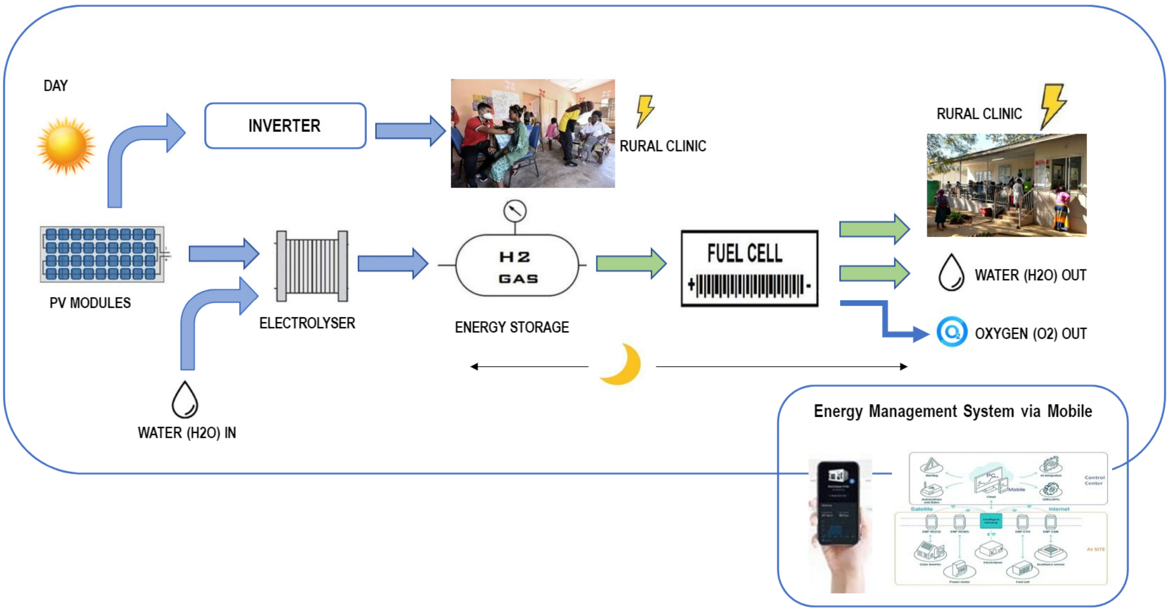
Rural communities frequently rely on diesel generators to meet their energy needs which cause substantial environmental pollution. Additionally, the logistical challenges and high costs of transporting diesel to remote areas result in inconsistent supply and elevated electricity prices. Consequently, the electrification in these communities is often unreliable, which can negatively affect the quality of life for the residents.

[20] No comparative data is available as we expanded the coverage of our indirect GHG emissions (Scope 3) disclosure from our entities based in Singapore in FY2023 to cover all entities of the Group in the current year. As the comparable data for the previous year was not tracked, it was not disclosed.

SUSTAINABILITY REPORT

Under the Pilot Project, the H2E1 System was set up to replace the diesel generators at the Long Loyang Clinic. A schematic illustration of the process involved is as follows:

The H2E1 System



Remarks

Day

(i) DAYTIME

- Solar panels generate direct current ("**DC**") power.
- Electrolyser produces hydrogen gas ("$\mathbf{H_2}$") and oxygen gas ("$\mathbf{O_2}$") from water.
- H_2 is stored in tanks and O_2 is released into the air.

Night

(ii) NIGHTTIME

- Inverter converts DC from H2 into alternating current to power electrical appliances.

(iii) ENERGY MANAGEMENT SYSTEM ("**EMS**")

- The H2E1 System is aided by EMS, a smart, comprehensive and fully integrated software which enables the user to control and manage the H2E1 System remotely.

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The H2E1 System is fuelled by two (2) parallel resources (i.e. solar and water), both of which are naturally abundant and non-pollutive, and enable continuous, uninterrupted electrification (both day and night) for the users. In addition, water filtration systems are added to provide clean water for users to consume and utilise for their daily needs. By providing a continuous source of electricity as well as clean water, we help to improve the quality of life of these rural communities in Sarawak, Malaysia and enable them to carry out more activities which require electricity.

Honoured to receive the visit of the Premier of Sarawak, the Right Honourable Abang Johari to H2 Energy's booth at APGH, Borneo Convention Centre, Kuching, Sarawak, Malaysia on 10 June 2024. His Honourable was accompanied by key Cabinet Ministers and senior government officials

9.8 Employee Retention and Development

Commitment

The Group is committed to effective talent attraction and recruitment which build a strong and sustainable talent pipeline for the continued success of our business.

Approach

Turnover

We continue to work towards further improving our turnover rate and employee retention through the following efforts:

- Leading by example in both business and operations;
- Empowering employees to make decisions at the workplace;
- Regular communication between leaders and employees to obtain feedback and align business goals across all levels of the workforce; and
- Re-employment arrangements for our senior employees.

Training and Development

We prioritise developing the skills and talents of our employees as we believe that well-trained employees are vital to the long-term success of our business. To address skill gaps and help our employees achieve their career development goals, we regularly assess our employees' training needs and review our existing training initiatives for continued relevance.

Our training and development programmes include the following:

- Upskilling programmes on technical courses related to job functions such as the Pipe Line Development Company ("**Plidco**") training courses[21] and professional development courses;
- Webinars conducted by subject-matter experts for middle managers and SR Leadership Team members;
- Capacity building via professional certifications;

[21] Plidco training courses include recertification, repacking, operator and installation training on Plidco products

- Safety-related trainings such as first-aid courses, Basic Offshore Safety Induction and Emergency training; and
- Sustainability trainings on ISSB Standards, Sustainable Finance, Carbon Exchange and REC Trading, ESG Masterclass as well as International Conference on Sustainable, Renewable and Energy Efficiency.

Employee Benefits

Beyond training and development, we prioritise our employees' welfare and well-being and are committed to improve their benefits. These include comprehensive medical insurance coverage, medical and dental benefits, monetary gifts for special celebrations and condolence support during difficult times.

*Maternity Leave and Paternity Leave (collectively, "**Parental Leave**")*

We also provide pro-family benefits, which include wedding gifts, baby gifts, matrimonial leave, adoption leave, maternity leave and paternity leave, to eligible confirmed employees.

Performance Appraisal

We conduct employee performance appraisals to ensure expectation-setting conversations are conducted and to promote a high-performance culture within the organisation. We also perform a year-end performance review for our employees, providing them with the opportunity to self-assess, provide feedback, and engage in competency discussions. We are guided by our internal procedures and directives on merit-based employee promotions, and salary revisions are performance driven. We believe this motivates our employees to seek continuous self-improvement and personal development.

Performance

Key statistics on new hires and the turnover of full-time employees during the Reporting Period are as follows:

(i) New Hires[22]

Sustainability Metric	FY2024		FY2023	
	Number of New Hire	New Hire Rate	Number of New Hire	New Hire Rate
Overall				
New hires	7	12%	9	17%
Gender				
Male	5	15%	8	27%
Female	2	9%	1	5%
Age				
Age under 30	5	50%	3	43%
Age 30 - 50	1	4%	3	11%
Age above 50	1	5%	3	18%

[22] New hire related statistics are calculated based on the number of new hires over the total number of employees within the corresponding gender and age categories.

SUSTAINABILITY REPORT

(ii) *Turnover*[23]

Sustainability Metric	FY2024		FY2023	
	Number of Turnover	Turnover Rate	Number of Turnover	Turnover Rate
Overall				
Turnover	2	4%	5	10%
Gender				
Male	–	-%	5	17%
Female	2	9%	–	-%
Age				
Age under 30	1	10%	1	14%
Age 30 - 50	1	4%	4	14%
Age above 50	–	-%	–	-%

(iii) *Training and Development*

Key statistics on training hours are as follows:

Sustainability Metric	FY2024	FY2023
Overall		
Total training hours	506.5	452.0
Average training hours per employee	8.9	8.7
Male		
Total training hours	291.5	349.5
Average training hours per employee	8.6	11.7
Female		
Total training hours	215.0	102.5
Average training hours per employee	9.3	4.7
Management		
Total training hours	199.0	105.5
Average training hours per employee	11.1	6.2
Non-management		
Total training hours	307.5	346.5
Average training hours per employee	7.9	9.9

[23] Turnover related statistics are calculated based on the number of turnovers of confirmed employees over the total number of employees within the corresponding gender and age categories.

(iv) *Parental Leave*

Key statistics on Parental Leave taken by confirmed full-time employees are as follows:

Sustainability Metric	FY2024		FY2023	
	Male	Female	Male	Female
Number of employees entitled to Parental Leave	3	2	5	2
Number of employees who took Parental Leave	3	2	4	2
Number of employees who returned to work after Parental Leave ended	3	2	4	2
Return to work rate of employees who took Parental Leave	100%	100%	100%	100%
Retention rate of employees 12 months after they returned to work from Parental Leave[24]	75%	100%	100%	100%

(v) *Performance Review*

Key statistics on the performance review are provided below:

Sustainability Metric	FY2024	FY2023
Overall	63%	71%
Male	65%	73%
Female	61%	68%
Management	28%	59%
Non-management	79%	77%

The reduction in performance review for FY2024 as compared to the prior Reporting Period is due to the number of new hires that were excluded in the review process. As the total number of employees is relatively small, the exclusion of new hires has a more pronounced effect, resulting in a percentage reduction in number of employees that underwent performance review.

9.9 Diversity and Equality

Commitment

The Group is committed to providing and fostering a fair, inclusive, and non-discriminatory working environment for all our employees that respects community and cultural diversity, regardless of gender, age and educational background.

Approach

To promote equal opportunity, we implemented various human resource related processes as follows:

- Employee recruitment advertisements do not state age, race, gender or religious preferences as employment requirements;
- Regular performance reviews are conducted to allow for regular feedback opportunities and to motivate our employees to seek continuous self-improvement and personal development; and
- Offer opportunities for promising employees to attend relevant training programmes regardless of their background.

[24] The retention rate is calculated based on the number of employees who took Parental Leave in the preceding reporting period.

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Performance

As at 31 December 2024, the Group has a total workforce of 57 permanent full-time employees[25] (FY2023: 52 permanent full-time employees). Most of our employees are based in Singapore. A breakdown of our headcount is as follows:

FY	Singapore	Malaysia	Indonesia	Brunei	Total
2024	17	21	11	8	57
2023	17	19	10	6	52

Key statistics on the demographics of our employees are as follows:

(i) Gender Diversity (%)

We view diversity at the Board level as an essential element in supporting sustainable development. As at the end of FY2024, we have one (1) female Executive Director (FY2023: 1) out of five (5) Directors on the Board (FY2023: 5) or, in other words, 20% (FY2023: 20%) female representation on the Board. For further information on our board diversity policy, please refer to our Corporate Governance Report.

Key statistics on the gender diversity of our full-time employees are as follows:

Sustainability Metric	FY2024		FY2023	
	Male	Female	Male	Female
Overall	60%	40%	58%	42%
Management	78%	22%	76%	24%
Non-management	51%	49%	49%	51%

(ii) Age Diversity (%)

Key statistics on the age diversity of our full-time employees are as follows:

Sustainability Metric	FY2024			FY2023		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	18%	47%	35%	13%	54%	33%
Management	–%	28%	72%	–%	41%	59%
Non-management	26%	56%	18%	20%	60%	20%

(iii) Educational Background Diversity (%)

Key statistics on the age diversity of our full-time employees are as follows:

Sustainability Metric	FY2024	FY2023
Tertiary	74%	73%
Non-tertiary	26%	27%

For FY2024, we have zero incidents of unlawful discrimination against employees[8] (FY 2023: zero incidents).

[25] The number of temporary employees, non-guaranteed hours employees and part-time employees constitute to 0% of the Group's headcount and thus not included for consideration of gender diversity, age diversity, educational diversity, average training hours, new hires and turnover rate.

9.10 Community Investment

Commitment

The Group is committed to contributing to the communities through community engagement programmes and we recognise that the long-term success of our business is closely tied to the health and prosperity of the communities that we are operating in.

Approach and Performance

Key highlights of our corporate social responsibility initiatives in FY2024 are as follows:

PT Panah Jaya Sejahtera ("**PTPJS**"), a wholly-owned subsidiary of PJS, organised a Ramadhan charity event, during which they donated grocery packs to underprivileged communities near Taman Teckno Workshop of Malaysia, followed by Buka Bersama (Iftar Together) with the orphanage, youth organisation and local sub-district government near PTPJS Workshop. PTPJS provided bento meals, goody bags containing stationery and snacks, as well as money donations for the orphanage.

In November, employees from Annica participated in a conservation activity at Kuala Selangor Nature Park, Malaysia ("**KSNP**"), planting over 60 mangrove saplings. Established in 1987, KSNP covers 800 acres of diverse ecosystems, essential for biodiversity and carbon sequestration, with each hectare capable of absorbing up to 840 metric tonnes of CO_2 over 25 years. The planting aimed to rehabilitate degraded mangrove areas, serving as both a conservation and team-building exercise. Each tree will remove approximately 0.3 tonnes of CO_2 over 25 years, enhancing local wildlife habitats and supporting the fishing industry.

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On 23 March 2024, Annica Holdings Limited via its subsidiary H2 Energy, proudly co-sponsored a blood donation campaign jointly organised by Parti Pesaka Bumiputera Bersatu Telang Usan Division and the Blood Donor Recruitment Team of the Malaysian Red Crescent Miri Branch, held at Boulevard Mall, Miri, Sarawak, Malaysia. The event attracted a notable turnout, with 84 individuals registering to donate. Of these, 63 successfully contributed blood, including 26 first-time donors, whilst 21 were deferred. This initiative exemplifies Annica Holdings Limited's steadfast commitment to community welfare and sustainability. The campaign's success highlights our dedication to creating a positive impact, and we extend our gratitude to all participants and organisers for their invaluable contributions to this vital, life-saving endeavour.

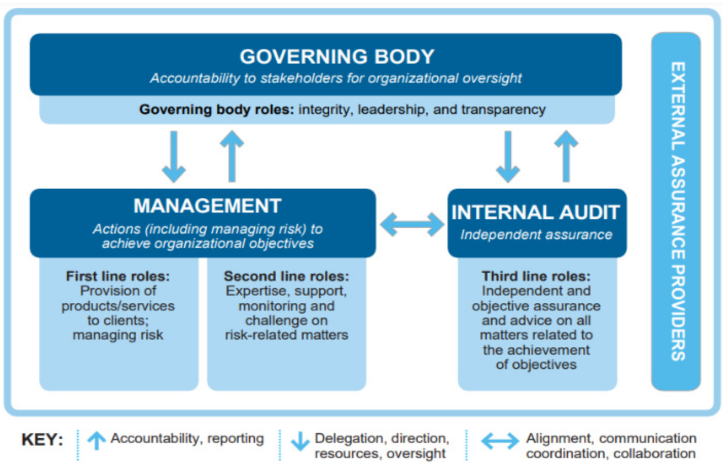
9.11 Corporate Governance

Commitment

The Group is committed to high standards of corporate governance as it is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

Approach

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("**IIA**"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first- and second-line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows:

- a code of conduct that outlines expectations for employees and the consequences for any violations of rules or standards not being met. Additionally, clear and fair grievance procedures are detailed in the employee handbook;
- a whistleblowing policy to encourage unethical conduct reporting in the workplace, in confidence and without fear of reprisals. A dedicated email channel is set up for reporting purposes and broadcast emails are sent to employees to inform them on the procedures for reporting violations of laws and misconducts periodically;
- a Board Diversity Policy to ensure that the Board has the appropriate mix of diversity, expertise, and experience;
- the Group adopts a firm stance on bribery and maintains a zero-tolerance position against all forms of corruption, including bribery, fraud, and money laundering; and

- the Group seek to comply with the relevant laws and regulations including the Catalist Rules of SGX-ST, Companies Act 1967 of Singapore and Employment Act of Singapore.

Performance

Key statistics on our compliance matter are as follows:

Sustainability Metric	FY2024	FY2023
Number of incidents of serious offence[9]	–	–
Number of incidents of non-compliance with laws and regulations[10] for which fines and/or non-monetary sanctions were incurred	–	–

For further information on our corporate governance practices, please refer to the Corporate Governance Report as set out in the Company's annual report for FY2024.

10. Targets and Performance Highlights

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress Tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Material Sustainability Factor	Target[26]	Current Year Performance
Economic			
1	Customer Satisfaction	Ongoing ■ Maintain a comprehensive range of solutions ■ Adhere to the market standards and best practices in operations	●●● ■ We maintained a comprehensive range of solutions. ■ We adhered to the market standards and best practices in operations.
2	Sustainable Business Performance	Ongoing Maintain or improve economic value generated subject to economic conditions	●○○ The economic value generated reduced to $15.50 million.
Environmental			
3	Water Conservation	Ongoing Maintain or reduce water consumption intensity	●○○ The water consumption intensity increased to 24.1 m^3/number of employees.
4	Responsible Waste Management	Short term Maintain or reduce the waste generated intensity	○○○ This is a new short-term target for Responsible Waste Management.

[26] Time horizons for target setting are: (1) short-term: within 5 years (until FY2028); (2) medium-term: between 5 to 20 years (FY2029 to FY2043); (3) long-term: above 20 years (from the beginning of FY2044 onwards); and (4) ongoing: encompassing short, medium and long-term.

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S/N	Material Sustainability Factor	Target [26]	Current Year Performance
5	Energy Conservation and GHG Emissions Management	<u>Short term</u> Maintain or reduce GHG emissions intensity by FY2025, with FY2022 as our baseline <u>Medium term</u> Reduce aggregated absolute Scope 1 and Scope 2 GHG emissions by 23% each by FY2035, with FY2022 as our baseline <u>Long-term</u> Aspire to achieve carbon neutrality by FY2050	●●● We reduced our GHG emissions intensity. ●○○ The aggregated absolute Scope 1 and 2 GHG emissions increased to 76.51 tCO_2e. ○○○ This is a new long-term target for Energy Conservation and GHG Emissions Management.
Social			
6	Occupational Health and Safety	<u>Ongoing</u> Maintain zero incidents of workplace fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases	●●● We maintained zero incidents of workplace fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases.
7	Sustainable Transformation Through Clean Energy Solutions	<u>Ongoing</u> ▪ Improve the quality of life for inhabitants of rural communities ▪ Increase access to renewable energy resources for rural communities through commercialisation and wider roll-out of the H2E1 System across Sarawak and other off-grid areas	●●● We improved the quality of life for inhabitants of rural communities. ●●● We increased access to renewable energy resources for rural communities through commercialisation and wider roll-out of the H2E1 System across Sarawak and other off-grid areas.
8	Employee Retention and Development	<u>Ongoing and long-term</u> ▪ Maintain or reduce employee turnover rate	●●● We reduced the employee turnover rate to 4%.
9	Diversity and Equality	<u>Ongoing and long-term</u> ▪ Maintain zero incident of unlawful discrimination against employees	●●● We maintained zero incident of unlawful discrimination against employees.
10	Community Investment	<u>Ongoing and long-term</u> ▪ Initiate various campaigns to help the local communities in locations where we operate in	●●● We initiated various campaigns to help the local communities in locations where we operate in.
Governance			
11	Corporate Governance	<u>Ongoing and long-term</u> ▪ Maintain zero incidents of serious offence[9] ▪ Maintain zero incidents of non-compliance[10] with laws and regulations for which fines and/or non-monetary sanctions were incurred.	●●● We maintained zero incidents of serious offence. ●●● We maintained zero incidents of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred.

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For the material Sustainability Factors in identified this Report, the Board, ESG Committee and the SR Leadership Team considered the relevance and usefulness of setting related targets in the short-, medium- and long-term horizon. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends stabilised and subject to market trends.

11. TCFD Disclosures

The Group is committed to supporting the recommendations by the TCFD and disclosed our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance
a. Describe the board's oversight of climate-related risks and opportunities. The Board appointed an ESG Committee that oversees the management and monitoring of material Sustainability Factors and oversees the identification and evaluation of climate-related risks and opportunities in determining the Group's strategic direction and policies on an annual basis.
b. Describe management's role in assessing and managing climate-related risks and opportunities. The SR Leadership Team is led by our CEO and comprises Group Financial Controller and Corporate and Business Support Executive, guides our sustainability strategy as part of the Group's overall business strategy. The SR Leadership Team is responsible for the management and monitoring of our Sustainability Factors, including working with the various business segments to ensure that climate-related issues are considered in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.

Strategy
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("**NGFS**") range of climate scenarios[27]:

Scenario	Description
NGFS – Orderly	This scenario assumes that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks.

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (within 5 years, until FY2028), medium term (between 5 and 20 years, between FY2029 and FY2043) and long term (above 20 years, FY2044 onwards). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during the ERM exercise includes the following:

[27] We revised our climate related scenarios by aligning with market practice. We also reassessed and refined our approach to managing climate-related risks in ensuring that out strategies are aligned with current environmental challenges and best practices for long-term sustainability.

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Risk and Potential Impact	Significance of Financial Impact[28]				Mitigating Measure	Climate-related Opportunity
	Current Effect ($'000)	Short Term	Medium Term	Short Term		
Key Physical Risk Identified						
Increased severity of extreme weather events						
Adverse changes in climate patterns such as rising temperatures and extreme weather events (such as floods and droughts) may delay ongoing engineering projects by interrupting construction schedules or preventing work form being carried out on-site, causing delays in project progress. Additionally, with rising temperatures and more frequent heatwaves resulting from global warming and climate change, the risks of increased cooling expenditures and reduced labour productivity are expected to rise. We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of USD 16 million per hour[29] arising from climate-related damage.	**Scenario: Orderly**				We put in place a climate change transition plan to steer us on our decarbonisation journey. Energy efficient fixtures and fittings such as LED lighting and motion sensors are adopted in our lighting system. You may refer to Section 9.5 'Energy Conservation and GHG Emissions Management' for further details.	In view of the potential environmental risks and the resultant emerging needs for energy efficiency and lower emissions, the Group realises the opportunity to invest in energy-efficient technologies and renewable energy use.
	NA[30]	🟢	🟡	🟡		
	Scenario: Hot house world					
	NA[30]	🟡	🔴	🔴		

Legend

🟢 Minor 🟡 Moderate 🔴 Major

[28] Significance of financial impact is determined based on the risk appetite established in accordance with the Group's ERM framework.

[29] Source: https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/

[30] We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

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Risk and Potential Impact	Significance of Financial Impact[28]				Mitigating Measure	Climate-related Opportunity
	Current Effect ($'000)	Short Term	Medium Term	Short Term		
Key Transition Risk Identified						
Enhanced GHG emissions reporting obligations						
With rising concerns over the effects of climate change, key stakeholders such as the Regulators and Shareholders are requiring reporting of climate-related information. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. These new requirements necessitate the investment of manpower resource in more comprehensive data collection, analysis, and reporting processes, greater involvement from management, and additional costs for consultants and employee training	**Scenario: Orderly**				To strengthen our sustainability governance structure, we put in place a SR Leadership Team for managing and monitoring our material Sustainability Factors, including working with the various business segments and corporate functions to ensure that these are integrated into our day-to-day operations. In addition, we established TOR for component parties involved in the sustainability reporting process, for clarity and accountability purposes	The enhanced GHG emissions reporting obligations and increase in regulatory costs will raise climate awareness among our employees. With more defined job responsibilities and training, the Group will also be better positioned to use energy resources responsibly and adopt environmentally friendly practices.
	65	●	●	●		
	Scenario: Hot house world					
	65	●	●	●		

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation, and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under hot house world scenario: > 4°C warming) may result in severe financial impact in the long-term. Under orderly scenario, the climate-related risks identified are not expected to result in significant financial impacts in the short, medium, or long-term. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we make progress in our sustainability journey.

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Risk Management	
a.	**Describe the organisation's processes for identifying and assessing climate-related risks.**
b.	**Describe the organisation's processes for managing climate-related risks.**
c.	**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**

An ERM framework is in place to guide the Group in the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks.

The Group's climate related risks and opportunities are identified and assessed through an ERM exercise. Together with the related treatment plans, they are reviewed by Audit Committee, Board and ESG Committee, along with the other Group's enterprise-wide risks. Climate-related sustainability metrics are set and tracked to monitor climate-related risks.

Metrics and Targets	
a.	**Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**

We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.

b.	**Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.**

To support the climate change agenda, we disclose our Scope 1, 2 and selected categories of Scope 3 GHG emissions in this Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our GHG emissions and expand our disclosure for our Scope 3 GHG emissions wherever applicable and practicable.

Our disclosure on indirect Scope 3 emissions includes fuel and energy-related activities (category 3), waste generated in operations (category 5), business travel (category 6) and employee commuting (category 7) in FY2024. Please refer to section 9.5 of this Report for more information on the Group's energy conservation and GHG emissions management.

c.	**Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**

As a commitment towards mitigating climate change, we set climate-related targets related to GHG emissions. For further details, please refer to the section 10 'Targets and Performance Highlights'.

12. Industry-based Guidance on Implementing Climate-related Disclosure Metrics

The sustainability disclosure metrics are based on the IFRS Sustainability Disclosure Standards Industry-Based Guidance for implementing climate-related disclosure (“**Industry-Based Metrics**”) outlined in Volume B14 - Oil and Gas Services, which only covers the Integrated Engineering Solutions Segment. The relevant Industry-Based Metrics for the Renewable BU shall be incorporated as and when the revenue is material and when such inclusion is necessitated by regulatory requirements and/or standard by market trends.

Sustainability Disclosure Topics

Topic	Code	Metric	FY2024
Emissions Reduction Services and Fuels Management	EM-SV-110a.1	Total fuel consumed (GJ)	161
		Total renewable fuel consumed (%)	–
		Percentage of fuel used in on road equipment and vehicles (%)	90
		Percentage of fuel used in off road equipment (%)	10
	EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impact	Refer to section 9.5 ‘Energy Conservation and GHG Emissions Management’.
	EM-SV-110a.3	Percentage of engines in services that comply with highest level of emissions standards for non-road diesel engine emissions	Not applicable as we do not own any non-road diesel engines.
Water Management Services	EM-SV-140a.1	Total volume of fresh water handled and % recycled	Not applicable as the water consumption of the Group are mainly derived from municipal water sources and the water is channelled to the main sewage system in the countries, we operate in.
	EM-SV-140a.2	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts	Not applicable as the Group does not contribute significantly to the ability of any of the country in which it operates in, to meet the human and ecological demand for water.

Activity Metrics

Code	Activity Metric	FY2024
EM-SV-000.A	Number of active rig sites	Not applicable as we do not have any active rig sites.
EM-SV-000.B	Number of active well sites	Not applicable as we do not have any active well sites.
EM-SV-000.C	Total amount of drilling performed (metres)	Not applicable as we do not perform drilling.
EM-SV-000.D	Total number of hours worked by all employees (hours)	632,016

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13. GRI Content Index

Statement of Use	Annica Holdings Limited has reported the information cited in the GRI content index for the 12 months period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Oil and gas

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	8
	2-2 Entities included in the organisation's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	12
	2-4 Restatements of information	10, 20-21, 25
	2-5 External assurance	12
	2-6 Activities, value chain and other business relationships	11-12
	2-7 Employees	31-32
	2-8 Workers who are not employees	As at 31 December 2024, the Company engaged twelve individuals who are not employees and were primarily retained under subcontracting arrangements.
	2-9 Governance structure and composition	8, 13-14, 46-48
	2-10 Nomination and selection of the highest governance body	57-59
	2-11 Chair of the highest governance body	46-48, 56
	2-12 Role of the highest governance body in overseeing the management of impacts	13-14, 37, 46-48
	2-13 Delegation of responsibility for managing impacts	13-14, 37
	2-14 Role of the highest governance body in sustainability reporting	13-14, 37
	2-15 Conflicts of interest	50-54
	2-16 Communication of critical concerns	12, 65-66
	2-17 Collective knowledge of the highest governance body	13
	2-18 Evaluation of the performance of the highest governance body	59-60
	2-19 Remuneration policies	61-64
	2-20 Process to determine remuneration	61-64
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	9
	2-23 Policy commitments	13, 34, 55, 65-66
	2-24 Embedding policy commitments	13, 34, 55, 65-66
	2-25 Processes to remediate negative impacts	64-67
	2-26 Mechanisms for seeking advice and raising concerns	12, 65-66
	2-27 Compliance with laws and regulations	34-35, 89
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	13-18, 70
	2-30 Collective bargaining agreements	None

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GRI Standard	Disclosure	Location
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13-18
	3-2 List of material topics	17-18
	3-3 Management of material topics	18-35
Sustainable Business Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	20
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	20
	201-2 Financial implications and other risks and opportunities due to climate change	37-40
	201-3 Defined benefit plan obligations and other retirement plans	121
	201-4 Financial assistance received from government	120
Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	34-35
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	34-35
	205-2 Communication and training about anti-corruption policies and procedures	34-35
	205-3 Confirmed incidents of corruption and actions taken	34-35
Energy Conservation and GHG Emissions Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	22-25
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	22-25
	302-2 Energy consumption outside of the organization	22-25
	302-3 Energy intensity	22-25
	302-4 Reduction of energy consumption	22-25
	302-5 Reductions in energy requirements of products and services	22-25
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	22-25
	305-2 Energy indirect (Scope 2) GHG emissions	22-25
	302-3 Energy intensity	22-25
	305-4 GHG emissions intensity	22-25
	302-5 Reductions in energy requirements of products and services	22-25
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosure is not applicable as the Group does not emit a material amount of these emissions through our products, services and operations.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure is not applicable as the Group does not emit a material amount of these emissions through our products, services and operations.

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GRI Standard	Disclosure	Location
Water Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	21
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	21
	303-2 Management of water discharge-related impacts	Disclosure is not applicable as the Group does discharge a material amount of wastewater or effluents in our operations.
	303-3 Water withdrawal	21
	303-4 Water discharge	Disclosure is not applicable as the Group does discharge a material amount of wastewater or effluents in our operations.
	303-5 Water consumption	21
Employee Retention and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	28-31
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	28-31
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28-31
	401-3 Parental leave	28-31
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	28-31
	404-2 Programs for upgrading employee skills and transition assistance programs	28-31
	404-3 Percentage of employees receiving regular performance and career development reviews	28-31
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	25-26
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	25-26
	403-2 Hazard identification, risk assessment, and incident investigation	25-26
	403-3 Occupational health services	25-26
	403-4 Worker participation, consultation, and communication on occupational health and safety	25-26
	403-5 Worker training on occupational health and safety	25-26
	403-6 Promotion of worker health	25-26
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	25-26
	403-8 Workers covered by an occupational health and safety management system	25-26
	403-9 Work-related injuries	25-26
	403-10 Work-related ill health	25-26

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GRI Standard	Disclosure	Location
Diversity and Equality		
GRI 3: Material Topics 2021	3-3 Management of material topics	31-32
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31-32
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	31-32
Community Investment		
GRI 3: Material Topics 2021	3-3 Management of material topics	33
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	33
	413-2 Operations with significant actual and potential negative impacts on local communities	21-25

BOARD OF DIRECTORS

TAN SRI DATO SERI ZULKEFLI BIN AHMAD MAKINUDIN
Independent and Non-Executive Chairman
Chairman of the Remuneration Committee
Member of the Audit Committee
Member of the Nominating Committee

Date of first appointment as a director:
5 July 2019

Date of last re-election as a director:
29 April 2024

Length of service as a director (as at 31 December 2024)
5 years 5 months

Country of Principal Residence
Malaysia

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin ("**Tan Sri**") is currently serving as a Judge in the Syariah Court of Appeal, Perak, Malaysia and as an arbitrator and mediator of the Asian International Arbitration Centre (**AIAC**). On 12 March 2021, Tan Sri was admitted as an advocate and solicitor to the High Court of Malaya. On 21 August 2021, he was appointed as the Independent and Non-Executive Deputy Chairman of Berjaya Assets Berhad, a public company listed on Bursa Malaysia Berhad.

Tan Sri was previously the President of the Court of Appeals of Malaysia before retiring in 2018. He is actively mentoring law graduates and imparting his invaluable experience and knowledge gained throughout his long and distinguished career in the Malaysian judiciary system.

Tan Sri obtained his Bachelor of Laws degree from the University of Malaya. He subsequently obtained his Master of Law degree from University College, University of London.

SANDRA LIZ HON AI LING

Executive Director and Chief Executive Officer

Date of first appointment as a director:
6 January 2016

Date of last re-election as a director:
28 April 2023

Length of service as a director (as at 31 December 2024)
9 years

Country of Principal Residence
Singapore

As the Executive Director and Chief Executive Officer of the Company, Sandra Liz Hon Ai Ling ("**Sandra**") is responsible for the overall management and strategy development of the Group. She has been leading the reset and reshaping of the Group, moving it toward becoming an energy transition company. In this capacity, she plays a pivotal role in dealing with funds, investors, and the financial aspects of this transformation.

Sandra is an avid proponent of green energy and actively steers the Group towards achieving its goal of powering growth through renewables through its energy transition businesses. She passionately advocates the continued development and adoption of green hydrogen technology at forums, conferences, and industry events.

Sandra holds a Master of Business Administration degree from the University of Strathclyde.

BOARD OF DIRECTORS

LIM IN CHONG
Non-Independent and Non-Executive Director

Date of first appointment as a director:
6 July 2018

Date of last re-election as a director:
28 April 2023

Length of service as a director (as at 31 December 2024)
6 years 6 months

Country of Principal Residence
Malaysia

Lim In Chong ("**In Chong**") is a director and principal of Inchscape Sdn. Bhd., a landscape architectural firm that has received numerous accolades worldwide. In Chong is an internationally renowned landscape architect and an avid supporter of sustainable and green development. He is frequently invited to speak at international seminars and events promoting sustainable and green development.

In Chong studied at the United World College of Southeast Asia and graduated from Trent University in Peterborough, Canada. He later obtained his Master of Design (Architecture & Design) from RMIT University, Melbourne, Australia.

ROBIN STEVENS
Lead Independent and Non-Executive Director
Chairman of the Audit Committee
Member of the Remuneration Committee
Member of the Nominating Committee

Date of first appointment as a director:
20 May 2022

Date of last re-election as a director:
29 April 2024

Length of service as a director (as at 31 December 2024)
2 years 7 months

Country of Principal Residence
United Kingdom

Robin Stevens ("**Robin**") currently serves as the Head of Capital Markets and a Senior Adviser of MHA Macintyre Hudson, the United Kingdom ("**UK**"), a member firm of the global accountancy and advisory network, Baker Tilly International, and advises emerging UK and international clients on corporate and capital market related activities. He is also an independent and non-executive director of Hercules Site Services Plc, Aura Renewable Acquisitions Plc and Fairview International Plc, and the non-executive chairman of Vector Capital Plc, and an independent and non-executive director of several private companies operating in the UK and overseas.

Throughout his long and distinguished career spanning over 30 years, Robin has held leadership positions in the UK and international professional partnerships including Crowe UK LLP, Mazars LLP, and MRI Moores Rowland LLP. He is a pragmatic corporate finance and capital markets professional, advising private and public company clients, ranging from small family-owned businesses to large and international companies, on matters in relation to corporate finance, private equity management buyouts, capital reconstruction, pre-flotation planning, and acquisitions and disposals. To-date, he has advised on over 150 initial public offerings and secondary offerings on the London Main Market, the AIM Market and the AQUIS Stock Exchange in the UK, and on transactions involving companies listed in Asia Pacific and the United States.

Robin is a Chartered Accountant and holds a Bachelor of Arts (Honours) in Business Studies from University of Hertfordshire.

BOARD OF DIRECTORS

RANDELL LEONG
Independent and Non-Executive Director
Chairman of the Nominating Committee
Member of the Remuneration Committee
Member of the Audit Committee

Date of first appointment as a director:
6 February 2025

Date of last re-election as a director:
Not applicable

Length of service as a director (as at 31 December 2024)
Not applicable

Country of Principal Residence
Hong Kong

Randell Leong ("**Randell**") is a seasoned executive with over three decades of extensive experience in green energy, oil and gas, and infrastructure sectors, leading initiatives in ultra-clean technologies in waste-to-energy projects. She has provided strategic advisory work in petrochemicals, oil and gas investments, and infrastructure across several continents.

She is currently serving as the chairman and chief executive officer ("**CEO**") of Arielle Limited in Hong Kong, CEO of Arielle Capital Inc. in Canada, CEO of Arielle Resources Pte. Ltd. in Singapore, and Executive Director APAC at AmaLaTerra Inc. in Canada. Since 2022, she has been designated as the APAC Ambassador for the Nigeria-Guinea Bissau Chamber of Commerce, promoting African energy and mining sectors globally.

Randell began her career in communication management after obtaining her Bachelor of Business degree from Edith Cowan University, and later transitioned into finance, and has consistently exhibited strong leadership across a range of entrepreneurial ventures.

KEY MANAGEMENT PERSONNEL

WOON CHING CHUEN (MARCUS)
Group Financial Controller

Woon Ching Chuen ("**Marcus**") joined the Group as the Finance Manager in 2017 and transitioned to the role of Group Financial Controller in February 2023. He is responsible for the corporate finance and accounting functions of the Group. Prior to his tenure with the Group, Marcus developed a strong foundation in business valuations, statutory audits, liquidations, and financial due diligence for mergers and acquisitions (M&A) transactions, working across various international accountancy firms. Marcus is a member of the Association of Chartered Certified Accountants and Singapore Institute of Directors.

MUSA BIN MOHAMAD SAHIR
Managing Director – P.J. Services Pte Ltd

Musa Bin Mohamad Sahir ("**Musa**") joined P.J. Services Pte. Ltd. in 2008 as an executive and rose through the ranks to become its managing director in 2016. He is responsible for the overall management of the business of P.J. Services Pte Ltd and its subsidiaries. Musa is also tasked with developing new products, expanding into new markets, and establishing agency partnerships, drawing on over 16 years of experience in the oil and gas industry. His extensive experience covers sales, marketing and project management related to the procurement of oil and gas equipment for both onshore and offshore platforms, vessels, and pipelines. Musa graduated from the Temasek Polytechnic with a Diploma in Mechatronics Engineering.

PEK SECK WEI
Director – Industrial Engineering Systems Pte. Ltd. and IES Engineering Systems Sdn. Bhd., H2E International Pte Ltd, and Cahya Suria Energy Sdn. Bhd.

Pek Seck Wei ("**Seck Wei**") is responsible for the overall management and development of the Group's business in the sale of oilfield equipment and the delivery of customised engineering solutions to oil and gas companies across Singapore, Malaysia and Vietnam. With his vast experience in the oil and gas industry, Seck Wei also oversees the business development and performance of the Group's rural off-grid and renewable energy businesses in his capacity as a director of H2E International Pte Ltd. Seck Wei holds a Bachelor of Electrical Engineering (Honours) degree from Nanyang Technological University.

MUHAMMAD HATTA BIN SUKARNI
Managing Director – H2 Energy Sdn. Bhd. ("**H2E**")

Muhammad Hatta Bin Sukarni ("**Hatta**") is the co-founder of H2E and began his career as a civil servant at the Department of Inland Revenue in Sarawak, Malaysia. After nearly a decade in public service, Hatta transitioned to the private sector to pursue his entrepreneurship endeavours. Hatta is currently a director and/or shareholder in several private limited companies in Malaysia and Australia which operate in various industries such as civil engineering and construction, property development, and fisheries. His core business activities are primarily based in Sarawak, Malaysia, where he maintains a strong and well-established network.

Hatta is the Yang Di-Pertua of Sarawak, Malaysia and the Chairman of the Hydrogen Cluster of the Bumiputera Infrastructure Contractors and Facility Management Association (PKIF).

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**" or "**Directors**") of Annica Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**", and each such subsidiary, a "**Group Subsidiary**") believes that maintaining a high standard of corporate governance is essential to the long-term sustainability of the Group's businesses and performance, safeguards the interests of the Company's shareholders and stakeholders, and enhances corporate value and accountability.

This Corporate Governance Report (this "**CG Report**") outlines the Group's corporate governance framework and practices that were in place during the financial year ended 31 December 2024 ("**FY2024**") with specific references to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

The Group's corporate governance framework, together with its sustainability practices (details of which are set out in the Company's sustainability report for FY2024 (the "**2024 Sustainability Report**"), serve as the foundation upon which the Group's overall business sustainability framework is based. The Group's framework provides the Group with the ability to respond to the changing needs of stakeholders (including future generations of stakeholders) and the evolving market, legislative, and geo-political environments in which the Group operates.

The Board, together with the Group's key management personnel and their respective teams ("**Management**"), continuously monitor and enhance the Group's overall business sustainability framework through a number of processes, including engagements with stakeholders, effectiveness reviews, control reviews, and risk assessments.

The Board is pleased to report that for FY2024, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

(A) BOARD MATTERS

1. THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: The company is headed by an effective Board that is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 – Principal Duties of the Board

The primary functions of the Board are to provide overall stewardship, leadership and direction for the Group, act objectively in the best interests of the Company, hold Management accountable for their performance, be held accountable to stakeholders for the overall performance of the Group, generate value for shareholders (and stakeholders), and ensure that the Group contributes to society and the environment through its overall sustainability framework and practices, in addition to generating profits. The Board has instilled an appropriate tone-from-the-top of the desired organisational culture, conduct and ethics so as to ensure proper accountability within the Group.

Apart from their statutory and fiduciary responsibilities, each Director understands the Group's businesses and is regularly updated on the state of the Group's affairs by way of briefings conducted by Management as well as on-site visits, as necessary.

In particular, the Board oversees the Group by:

(a) setting the Group's objectives, strategies, values and standards (including sustainability practices) and ensuring that all obligations to shareholders and key stakeholders are understood and met;

(b) ensuring that the appropriate resources are made available (within practical constraints) for the Group to meet its objectives, strategies, values and standards, and monitoring the performance of these objectives, strategies, values and standards;

(c) establishing a framework of effective internal controls that is aligned with the risk appetites agreed on by the Board, and holding Management accountable to safeguard the Group's assets and shareholders' interests, thereby ultimately promoting sustainable success for the Group;

(d) establishing a framework for a high standard of corporate governance and sustainability practices and ensuring that the Group achieves high corporate governance standards;

(e) approving annual budgets, business plans, major funding proposals, financial restructuring, share issuance, investment and divestment proposals;

(f) identifying the interests and concerns of key stakeholder groups, and recognising that any adverse perceptions may negatively impact the Group's reputation and businesses; and

(g) exercising due diligence and independent judgement in relation to the Group's businesses and operations.

If any Director has a conflict of interest, he/she must recuse himself or herself from discussions and decisions related to the conflict. A register of conflicts of interest is maintained and updated by the Company and a copy is provided to the Company Secretary. The Directors understand their responsibility in identifying and managing conflicts of interest, and informing the Board and the Company Secretary of any conflicts of interest as required under the Companies Act 1967 of Singapore (the "**Companies Act**"). Any conflicts of interest involving any Director is managed, principally, in accordance with the following three steps:

(a) **Declare:** The conflicts are noted, considered, and recorded by the Company Secretary.

(b) **Discussion:** The conflicted Director does not take part in any discussions relating to the matters in which the conflict exists.

(c) **Decision:** The conflicted Director does not take part in any decision-making relating to the matters in which the conflict exists.

Provision 1.2 – Induction and Training of Directors

The Company conducts orientation programmes for newly appointed Directors to brief them on the Group's structure, businesses, operations, corporate governance and overall sustainability framework and practices. The Company also arrange for a Director who has no prior experience as a director of a company listed on the SGX-ST to undergo the relevant trainings in the roles and responsibilities of a director as required under Rule 406(3)(a) of the Catalist Rules within one year from his/her date of appointment to the Board. Newly appointed Directors are given a formal letter explaining their duties and obligations as Directors of the Company, among other terms.

At each Board meeting and on an ongoing basis, the Directors receive updates from the Chief Executive Officer and relevant key management personnel regarding the business and strategic developments of the Group. The Directors may, at any time, visit the Group's business operations in order to gain a better understanding. Changes to regulations and accounting standards are monitored closely by the Chief Executive Officer, the Group Financial Controller and the Audit Committee, in close consultation with, and guidance from, the Group's external auditors, PKF-CAP LLP. During FY2024, the Directors were briefed by PKF-CAP LLP on significant developments in financial reporting standards and related changes that affect the Group, and by the Company Secretary on changes to the Catalist Rules, the Code and relevant changes to the Companies Act.

The Board recognises the importance of training and continuing education. Directors are encouraged to keep themselves updated on any new rules and regulations which are relevant to the Group, and to keep pace with regulatory changes. When relevant and beneficial to the Company, the Company will fund the costs of relevant courses and seminars for the Directors to keep themselves up to date with new developments concerning regulatory and legal requirements.

In FY2024, the Directors kept themselves abreast of changes to applicable accounting standards and regulatory developments through briefings by the Group's external auditor and updates by the Company Secretary. In addition, the Directors kept up with their knowledge of the Renewable Segment and sustainability practices through self-directed study. Notably, Ms. Sandra Liz Hon Ai Ling, the Executive Director and Chief Executive Officer, participated in industry panel and forum speaking events, thereby contributing to the Group's ongoing dialogue within the sector.

Ms. Randell Leong, who was appointed on 6 February 2025, will attend the relevant mandatory training courses on the roles and responsibilities of a director as prescribed under Practice Note 4D of the Catalist Rules, within one (1) year of her appointment.

CORPORATE GOVERNANCE REPORT

Provision 1.3 – Matters Requiring Board's Approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. These matters include, amongst others, the following:

(a) approval of audited and unaudited financial statements, announcements, annual reports and public communication with shareholders, investors and key stakeholders;

(b) long-term corporate objectives, strategies, policies, and annual budgets of the Group;

(c) strategic decisions regarding the Group's operations and management;

(d) corporate transactions which are not in the ordinary course of business, and investment and divestment proposals (whether or not in the ordinary course of business);

(e) significant financial and/or funding arrangements and decisions of the Group;

(f) nomination of Directors and appointment of key executives;

(g) approval of the terms of reference for Board Committees and any changes;

(h) remuneration policy (including share and other incentive schemes) for Management, Directors, and employees of the Group, as recommended by the Remuneration Committee;

(i) material acquisitions and disposals of assets/investments;

(j) extension or diversification of the Group's activities into new areas;

(k) material capital expenditures;

(l) issuance of policies and key business initiatives;

(m) declaration of interim dividends and proposal of final dividends;

(n) convening of shareholders' meetings;

(o) processes for evaluating the adequacy of internal controls, risk management, and compliance with applicable laws and regulations;

(p) commencement, defence, and settlement of significant litigation;

(q) appointment and removal of the Company Secretary, internal and external auditors, and key management staff;

(r) share issuances;

(s) other transactions of a material nature requiring announcement and/or approval by the SGX-ST and compliance with the Catalist Rules, and all other matters of strategic importance;

(t) any matter that is outside of the ordinary course of business, or any significant issue arising from the ordinary course of business of any of the Group Subsidiaries; and

(u) all matters that require approval from shareholders.

CORPORATE GOVERNANCE REPORT

Provision 1.4 – Delegation of Authority to Board Committees

To facilitate effective management and to support the Board in its duties and responsibilities, the Board has delegated specific responsibilities to the Board Committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). The Board Committees operate within clearly defined terms of reference (as detailed under Provisions 4.1, 6.1 and 10.1 of this CG Report) which are reviewed on a regular basis to ensure their continued relevance and efficacy. The composition and description of each Board Committee as well as a summary of each Board Committee's activities are also set out in other sections of this CG Report. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

As at the date of this CG Report, the compositions of the Board and the Board Committees are set out below:

Name of Director	Board Appointment	Audit Committee	Nominating Committee	Remuneration Committee
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin	Independent and Non-Executive Chairman	Member	Member	Chairman
Sandra Liz Hon Ai Ling	Executive Director and Chief Executive Officer	–	–	–
Lim In Chong	Non-Independent and Non-Executive Director	–	–	–
Robin Stevens	Lead Independent and Non-Executive Director	Chairman	Member	Member
Randell Leong	Independent and Non-Executive Director	Member	Chairman	Member

Provision 1.5 – Meetings of Board and Board Committees

The Board holds regular meetings to review, consider and approve strategic, operational and financial matters of the Group. Significant matters (which are outside of the ordinary course of business) concerning the Group are also put before the Board for its decision and approval. Where necessary, ad-hoc Board meetings are held. Prior to each Board meeting, Management will circulate a board pack containing comprehensive and timely information to enable Directors to make informed decisions and to discharge their duties and responsibilities. As part of its ongoing reporting to the Board, Management provides updates on the Group's key projects.

Board meetings are held by way of physical meetings, electronic means, or a combination of both. Management is invited to attend board meetings to present information and/or provide clarification where required. Aside from meetings, the Board may deal with certain routine matters by way of written resolutions.

The attendance of the Directors at these meetings and general meetings of the Company during FY2024 is as follows:

	Board	AC	NC	RC	Annual General Meeting	Extraordinary General Meeting
Number of meetings held	5	5	2	1	1	1
Directors	**Attendance**					
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin	5	5	2	1	1	1
Sandra Liz Hon Ai Ling	5	5*	2*	1*	1	1
Lim In Chong	4	4*	2*	1*	1	1
Robin Stevens	4	5	1	0	1	1
Randell Leong(1)	–	–	–	–	–	–
Su Jun Ming(2)	5	5	2	1	1	1

**Attendance by invitation*

Notes:

(1) Appointed as a Director with effect from 6 February 2025.
(2) Ceased to be a Director with effect from 8 January 2025.

CORPORATE GOVERNANCE REPORT

Where a Director has multiple board representations in other listed companies and other principal commitments, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his/her duties as a Director, taking into consideration the Directors' number of listed company board representations and other principal commitments. The NC and the Board are of the view that all the Directors are able to devote time and attention to the Company's affairs and therefore, the Board has not capped the maximum number of listed board representations each Director is allowed to hold. The NC will, however, continue to review, from time to time, the board representations of each Director to ensure they continue to be able to meet the demands of the Group adequately, and discharge their duties as a Director of the Company satisfactorily.

Provision 1.6 - Board's Access to Information

The Board members are provided with board papers a few days in advance of meetings so that sufficient time is given to the Board members for them to make informed decisions and enable them to discharge their duties and responsibilities effectively. The board papers set out the relevant financial information that review the Group's performance and other information which includes background or explanatory information relating to the matters to be brought before the Board. The Directors make enquiries and request for additional information, if needed, from the Management. Additional materials or information requested by the Directors (if any) are promptly furnished. The Board also has access to minutes and documents concerning all Board and Board Committees meetings.

Provision 1.7 Board's Access to Management, Company Secretary and External Advisers

The Company provides for the Directors, individually or as a group, to have separate and independent access to the Management, the Sponsor and the Company Secretary, and to seek external independent professional advice, where necessary, at the expense of the Company. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole. The Company Secretary or his/her representative attends all meetings of the Board and Board Committees and is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. Changes to regulations are closely monitored by the Management and the Directors are briefed during the Board meetings on changes which have an important bearing on the Company or the Directors' disclosure obligations.

2. BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1, 2.2 and 2.3 Director's Independence and Composition of Independent Directors and Non-Executive Directors

During and as at the date of this CG Report, the Board comprises five (5) Directors, three (3) of whom (including the Chairman of the Board) are Independent and Non-Executive Directors, one (1) Executive Director, and one (1) Non-Independent and Non-Executive Director. Accordingly, the Company complies with Provision 2.3 of the Code, which requires non-executive directors to make up a majority of the Board.

The NC considers an "independent" Director as one who is independent in conduct, character, and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent business judgement with a view to the best interests of the Group. The independence of each Independent Director is reviewed annually by the NC. Each Independent Director is required to complete a declaration annually to confirm his/her independence based on the guidelines set out in the Code. None of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere with the Directors' independent judgement. Independent Directors have abstained from deliberations in respect of the assessment of their own independence. For FY2024, the Independent Directors have provided written declarations of their independence, and the Board, having considered the views of the NC, has determined that all Independent Directors have satisfied the criteria of independence.

During FY2024 and as at the date of this CG Report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his/her appointment.

CORPORATE GOVERNANCE REPORT

Provision 2.4 - Size and Composition of the Board

The Company's Board Diversity Policy upholds the principle that an effective Board is one constituted with the right core competencies, with an appropriate balance and mix of skills, experience, knowledge, among other aspects of diversity. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions and promote effective decision-making. The NC reviews and assesses the size and composition of the Board and Board Committees, and recommends the appointment of new Directors to the Board for approval. The diversity of the Directors' experience in business and industry skills and expertise, and other relevant aspects of diversity (such as age, gender, tenure, board independence and cultural ethnicity) allows for the useful exchange of ideas and views to avoid groupthink and foster constructive debate.

The Board comprises individuals of various ages, ethnicities, and cultural backgrounds, whose core competencies, qualifications, skills, and experiences are extensive and complementary. These core competencies comprise legal, accounting, finance, business, and management expertise as well as industry and certain specific technical expertise. The current members of the Board possess the necessary skills, talents, experience, and diversity to serve the needs and objectives of the Group, in that:

(a) the different cultural backgrounds facilitate diversity of thought and, consequently, a willingness to speak up and challenge ideas, which, in turn, foster a culture of openness and constructive debate;

(b) the different expertise and experience ensure that decisions made collectively by the Board have received comprehensive attention from all relevant perspectives, including anticipated and potential risks;

(c) the different expertise combine to ensure that an appropriate level of risk-appetite is agreed on; and

(d) the different cultural backgrounds, gender, ages, expertise, and experience reduce the risk of groupthink which, in turn, support the management of risks.

Generally, the NC meets annually to assess and, if necessary, revise, the agreed framework for the required combination of skills, talents, experience, and diversity of the Board that will best serve the needs and plans of the Group. In particular, the NC will assess whether:

(a) the size and composition of the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their respective compositions to enable the Board and Board Committees to make decisions in the best interests of the Company;

(b) its targets to achieve Board diversity have been met in accordance with its plans and timelines set; and

(c) any further or revised recommendations are required to be put forward for consideration and approval by the Board, noting that the targets and objectives may involve one or more aspects of Board diversity with different timelines for achievement.

In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval.

The NC and the Board, taking into account the nature of operations of the Group, consider the current size of the Board and Board Committees to be adequate for effective decision making, and based on the current composition, the Board and Board Committees are able to exercise objective judgement on corporate affairs and provide sufficient diversity of expertise to lead and govern the Company effectively, meeting the objectives of the Company's Board Diversity Policy. The NC and the Board are satisfied that no individual member of the Board dominates the Board's decision-making and that there is sufficient accountability and capacity for independent decision-making.

The profile and information of the Directors are set out under the "Board of Directors" section of this Annual Report.

CORPORATE GOVERNANCE REPORT

Provision 2.5 - Regular Meetings of Independent Directors and Non-Executive Directors

All Directors have equal responsibility for the Group's operations. However, the role of the Independent Directors and Non-Executive Directors are particularly important in ensuring that all strategies and objectives proposed by Management are constructively and robustly discussed. The Independent Directors and Non-Executive Directors are kept informed of the Group's businesses, prospective deals, and developments by Management. The Independent Directors and Non-Executive Directors constructively challenge Management, help Management develop strategies for the Group's businesses, provide feedback to the Board as a whole, and/or Management, and monitor the performance and reporting of the Group's key projects.

In addition to scheduled Board meetings, the Independent Directors and Non-Executive Directors held regular discussions and/or phone consultations to deliberate on matters arising from previous Board meetings. These sessions, conducted without the presence of Management, ensured timely decision-making and prepared the Board for effective resolutions at the next scheduled meeting. All discussions were later formally reported to the Board as a whole at the next scheduled board meeting, with key outcomes and recommendations discussed.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1 and 3.2 – Chairman of the Board and Chief Executive Officer

The roles of Chairman of the Board and Chief Executive Officer ("**CEO**") are separate to provide an appropriate balance of power and authority, increased accountability, and greater capacity of the Board for independent decision-making.

As at the date of this CG Report, the Chairman of the Board is Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin, who is an Independent Director, while the CEO is Ms. Sandra Liz Hon Ai Ling, who is also an Executive Director.

As Chairman of the Board, Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin leads the Board in ensuring its effectiveness and approves the agenda of each Board meeting, in consultation with the CEO. The Chairman of the Board monitors the communications and relationships between the Company and its shareholders, between members of the Board, and between the Board and Management, with a view to encouraging a constructive relationship and open dialogue amongst them.

As the CEO, Ms. Sandra Liz Hon Ai Ling is responsible for the overall business direction, strategy and operation of the Group, the implementation of the Group's corporate plans and policies, and executive decision-making. The major decisions are made in consultation with the Board. In addition, the CEO is also assisted by the Company Secretary at all Board meetings and on statutory matters. Where necessary, the external auditors and/or other consultants, such as technical experts, are invited to attend Board meetings to assist the CEO and the other Directors in their deliberations.

Provision 3.3 – Lead Independent Director

Mr. Robin Stevens is the Lead Independent Director. He provides leadership in situations where the Chairman is conflicted and when the Chairman is unavailable to attend any board meeting. Mr. Robin Stevens is available to shareholders where their concerns raised through normal channels to the Chairman or the Management including the CEO have failed to resolve or where such contact is in appropriate or inadequate.

4. BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 Terms of Reference of NC

The key terms of reference of the NC includes:

(a) making recommendations to the Board on all Board appointments;

(b) ensuring that Directors appointed to the Board possess the particular experience, knowledge and business, finance and management skills necessary for the Group's businesses, and each Director, through his contributions, brings to the Board an independent and balanced perspective for well-considered decision-making;

(c) ensuring that there is a formal and transparent process for all new appointments and re-appointments to the Board. Where a vacancy arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC will search for and nominate such a new Director;

(d) determining, in consultation with the Board, the selection criteria for new appointees so that candidates with the appropriate expertise and experience are appointed. The NC meets and interviews shortlisted candidates to assess their suitability and ensure that candidates are aware of the expectations and the level of commitment required before making recommendations to the Board for consideration and approval;

(e) developing and implementing an appropriate succession plan for the Board and key leadership positions to ensure continuity and stability; and

(f) engaging, where appropriate, executive search companies, and making recommendations of network contacts in its search and nomination process for the right candidates.

The NC plays a pivotal role in upholding principles of good corporate governance practices by:

(a) evaluating and recommending the appointment, re-election, and retirement of Directors to ensure the Board comprises individuals with the appropriate mix of skills, experience, expertise, and diversity to effectively lead the Company;

(b) ensuring that the Board's structure, size, and composition support effective decision-making and oversight;

(c) identifying the requirements of any additional resource for the Group's business, including but not limited to financial, technical, and human resources;

(d) recommending and reviewing training and professional development programs for the Board and each Director;

(e) assessing the independence of Directors annually, in accordance with the Code and relevant regulatory requirements, including whether a Director, who has multiple board representations, is able to carry and has adequately carried out his duties as Director;

(f) conducting regular evaluations of the Board's performance, as well as the performance of individual Directors and Board Committees, to ensure accountability and effectiveness; and

(g) reviewing and recommending improvements to the Company's corporate governance framework, policies, and practices to align with best practices and regulatory requirements.

The NC has not yet formally put in place a succession plan as the priority of the Company is to ensure that the Group's businesses and operations are stabilised and steered in the right direction. In particular, as the Group has recently entered into the Renewable Segment, it is imperative that current key management personnel continue to steer this new business and existing core businesses of the Group.

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The Board and the NC recognise the critical importance of maintaining the continuity and resilience of the Group's business, particularly in times of unexpected crisis or the sudden resignation of key management personnel. While a formal succession plan has not yet been implemented, the Board remains mindful of this responsibility and is committed to ensuring that robust measures are in place to address potential leadership gaps. This includes ongoing monitoring of key roles, identifying internal and external talent pipelines, and fostering a culture of leadership development within the organization. The Board will continue to evaluate and prioritise the implementation of a structured succession planning framework to further strengthen the Group's preparedness for unforeseen challenges.

Provision 4.2 – Composition of the NC

The NC comprises three (3) members, all of whom including the NC Chairman are Independent and Non-Executive Directors. The Lead Independent Director is a member of the NC. As at the date of this CG Report, the NC comprises Ms. Randell Leong (Chairman), Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin and Mr. Robin Stevens.

Provision 4.3 – Process for Selection, Appointment and Re-appointment of Directors

Where a vacancy on the Board exists, or where additional Directors are required, the Board will generally identify potential candidates from their own sources of contact and refer them to the NC for an interview and to assess their credentials and suitability. In addition, the NC has the liberty to instruct executive search companies, receive referrals from personal contacts (when relevant), and deliberate on and consider recommendations in its search and nomination process for the right candidates.

New Directors are appointed by the Board after the NC has reviewed and recommended their appointments. When the need for a new Director arises, the NC will review the expertise, skills, and attributes of the Board as a whole, identify its needs, and thereafter shortlist candidates with the appropriate profiles for nomination. In its search and selection process, the NC will interview at least two (2) shortlisted candidates for each appointment.

The criteria for identifying candidates are primarily based on the specific skills, expertise, and experience required by the Board and/or the Group at the relevant time. While gender is not a standalone criterion, female candidates are actively considered as part of the Company's Board Diversity Policy. Above all, the Company values diversity of thought, recognizing that a broad range of perspectives strengthens decision-making and drives long-term success.

In accordance with Regulation 95 of the Company's constitution (the "**Constitution**"), at each annual general meeting, one-third of the Board shall retire from office by rotation (provided that no director holding office as CEO or Executive Chairman shall be subject to retirement by rotation or be considered in determining the number of directors to retire). Each Director who retires by rotation may, if he or she so desires, offer himself or herself for re-election. In determining the number of directors to so retire by rotation, persons who were appointed to the Board by the Directors in accordance with Regulation 94 of the Constitution to fill a vacancy will also not be taken into account and will have to be put up for re-election by shareholders at the Company's AGM. In addition to the regulations of the Constitution, Rule 720(4) of the Catalist Rules require that all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

For re-nomination and re-appointment of Directors, the NC would take into consideration, amongst other things, the Directors' contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), independence, other board representations, and any other factors as may be deemed relevant by the NC.

CORPORATE GOVERNANCE REPORT

At the forthcoming AGM of the Company, Mr. Robin Stevens and Mr. Lim In Chong will be retiring by rotation pursuant to Regulation 95 of the Company's Constitution, while Ms. Randell Leong will be retiring pursuant to Regulation 94 of the Company's Constitution (collectively, the "**Retiring Directors**"). The NC has recommended and the Board has agreed that the Retiring Directors be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC takes into consideration, amongst others, the Retiring Directors' attendance record at meetings of the Board and Board Committees, preparedness, participation and candour at such meetings as well as quality of input and contributions. The Retiring Directors have re-submitted themselves for re-election at the forthcoming AGM. Please refer to the section entitled "Additional Information on Directors Seeking Re-election" of this report for the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors.

Each member of the NC has abstained from voting, approving or making a recommendation on any resolution of the NC in which he/she has a conflict of interest in the subject matter under consideration.

<u>Provision 4.4 – Independence of Director</u>

The independence of each Director is reviewed anually by the NC with reference to the definition of independence set out in Provision 2.1 of the Code, and taking into consideration whether the Director falls under any of the relationships and circumstances pursuant to the accompanying Practice Guidance to the Code and Rule 406(3)(d) of the Catalist Rules. For FY2024, the Independent Directors have confirmed their independence in accordance with the Code and its accompanying Practice Guidance, and Rule 406(3)(d) of the Catalist Rules.

<u>Provision 4.5 – Directors' Commitments and Contributions</u>

The NC ensures that new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Group. The NC, in consultation with the Board, is satisfied that sufficient time and attention have been given by all Directors to the affairs of the Group, notwithstanding that some Directors may have multiple board representations and/or principal commitments. Where a Director has multiple board representations and/or principal commitments, the NC will consider whether that Director is able to carry out (and has in fact adequately carried out) his or her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and/or principal commitments. In addition, based on the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the Directors were able to devote to the Company's affairs in light of their other commitments and have been adequately carrying out their duties as a Director of the Company in FY2024. As at the date of this CG Report, there is no alternate Director appointed to the Board.

Information pertaining to the Directors' interests in shares, options and other convertible securities of the Company are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

5. BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

<u>Provisions 5.1 and 5.2 - Evaluation of Board Performance</u>

The NC is responsible for evaluating and proposing the performance criteria for assessing the performance of the Board and each Board Committee separately, as well as the contributions by the Chairman and each Director.

In assessing the performance of the Directors, the NC evaluates each Director (including the Chairman) based on his or her contributions to the Board and on the following key parameters:

(a) attendance at Board and Board Committee meetings;

(b) participation at meetings;

CORPORATE GOVERNANCE REPORT

(c) ability to carry out his/her duties;

(d) involvement in assisting and guiding Management;

(e) availability for consultation and advice, when required; and

(f) appropriate skill, experience and expertise.

The NC also evaluates the performance and effectiveness of the Board as a whole, taking into account the Board's composition, balance and mix.

The criteria used by the NC for assessing the Board's and each Board Committee's performance include, among others, the composition and size, processes, accountability, standard of conduct, performance of its principal functions and fiduciary duties, and guidance provided to and communication with Management. The criteria for assessing an individual Director's contributions include the level of contribution to Board meetings, commitment to time, and overall effectiveness. As part of the evaluation process, the NC completes an appraisal form for each Director. The Company Secretary compiles these forms, based on which the NC Chairperson prepares a summary report for presentation to the Board. This summary is discussed during the NC meeting held at the end of each financial year, and recommendations regarding re-election and training are subsequently submitted to the Board for consideration.

For FY2024, the NC, having reviewed the overall performance of the Board and each Board Committee in terms of their roles and responsibilities and the conduct of their affairs as a whole, and each Director's performance, is of the view that the performance of the Board, each Board Committee and each Director has been satisfactory. The criteria of assessment used by the NC for FY2024 was similar to that of the previous fiscal year. No external facilitator was appointed in connection with such performance evaluation for FY2024.

Highlights of the NC's evaluations include the following:

- each of the Board and the Board Committees is constructive and supportive to Management and functions strongly as a unit. They are led by our well-regarded Chairman, who has the clear support of the Board. The diversity of the background of the Directors brings about a plurality of different views and skills;

- the Board provides a good sense of optimism and determination to succeed, and demonstrates strong support for, and confidence in, the CEO, the Group Financial Controller and the Management;

- there is a growing awareness of ESG issues, climate change and the need for diversity, and the Board aims to produce a meaningful and comprehensive Sustainability Report for FY2024. To this end, the Group has established an ESG Committee in November 2022 which is led by Independent Director, Mr. Robin Stevens, and supported by Mr. Lim In Chong and Ms. Randell Leong as members. The ESG Committee is tasked with developing the Group's sustainability strategy, reviewing the Group's material impacts, considering stakeholder priorities, setting sustainability goals and targets, as well as collecting, verifying, monitoring, and reporting performance data for the Sustainability Report. The ESG Committee is supported by a Sustainability Reporting Leadership team, which is led by the CEO, and reports to the ESG Committee on sustainability matters and comprise managers from relevant business units and corporate functions on specific sustainability matters under its terms of reference. For FY2024, the Sustainability Reporting Leadership Team met to discuss the Company's sustainability measures and framework;

- there is a desire for continuous improvement, and the Board has discussed succession plans while being mindful that financial stability, continuous improvements in its established businesses and the successful growth of its new Renewable Segment should take priority;

- the Board consists of a diverse group of members and has a good mix of ethnicities, ages, gender and skills; and

- the Directors are pro-active and knowledgeable and collectively provides Management with the guidance and support to formulate and achieve the Group's strategies and objectives.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

6. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

***Principle 6:* The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

Provision 6.1– Terms of Reference of the RC

The key terms of reference of the RC include:

(a) making recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowances, bonuses, share schemes and benefits in kind, of Directors and Management;

(b) reviewing and recommending to the Board the terms (and renewal) of the service agreements of the Executive Director and key management personnel, and ensuring that such service agreements contain fair and reasonable clauses which are not overly generous or onerous, and there are appropriate termination clauses;

(c) determining the appropriateness of the remuneration of the Directors and Management; and

(d) administering long-term incentive schemes (including share schemes) implemented by the Company.

Provision 6.2 – Composition of the RC

The RC comprises three (3) Board members, all of whom including the RC Chairman, are Independent and Non-Executive Directors. The Lead Independent Director is a member of the RC. As at the date of this CG Report, the RC comprises Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin (RC Chairman), Mr. Robin Stevens and Ms. Randell Leong.

Provisions 6.3 and 6.4 - Review of Remuneration

The RC meets at least once a year to review and deliberate on the remuneration packages of each Director and each member of Management. In reviewing and/or recommending the remuneration packages, the RC takes into consideration industry practices, the current terms of the service contracts of the Executive Director and key management personnel, their individual performance, and the financial results and performance of the Company and the Group as a whole. No Director is involved in deciding his or her own remuneration. The RC has full authority to obtain independent professional advice on matters relating to remuneration, if required, at the Company's expense. For FY2024, the RC did not engage the service of any external remuneration consultants.

Each member of the RC abstains from making any recommendation or voting on any resolution in respect of his/her own remuneration package but may provide information and documents requested by the RC to assist in its deliberations.

The remuneration package of the Executive Director is based on a service contract and comprises a fixed component in the form of a monthly salary and a variable component, in the form of year-end bonuses, linked to her individual and overall performance of the Group.

The remuneration of employees who are related to any Director (if any) is reviewed annually by the RC to ensure such remuneration is in line with, and proportionate to, the other employees of the Group.

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7. LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1, 7.2 and 7.3 – Remuneration of Directors and Key Management Personnel

The remuneration policy of the Group is to provide compensation packages at market rates which (i) reward individual performance, (ii) attract, retain, and motivate Directors and key management personnel to provide good stewardship of the Company, and (iii) incentivise them to manage the Group's businesses for the long-term benefit of Shareholders and stakeholders alike.

The remuneration package of the Executive Directors and key management personnel comprises a fixed component and a variable component. The fixed component is in the form of a basic salary while the variable component is in the form of a performance bonus which is linked to the Group and individual performance. The RC also reviews remuneration of Non-Executive Directors (including Independent Directors) annually to ensure that the remuneration commensurate with the efforts, time spent and responsibilities of these Directors. The Non-Executive Directors (including Independent Directors) are remunerated based on basic fees for serving on the Board and Board Committees. Directors' fees are endorsed by the RC and recommended by the Board for approval by Shareholders as a lump sum payment at annual general meeting of the Company.

The Executive Director and CEO is not paid a director's fee. The Non-Executive Directors and the Independent Directors do not receive any other remuneration from the Company other than the fixed director fee approved by shareholders at annual general meetings. The fees paid to Directors do not include allowances for travel and other expenses incurred in the performance of their duties as Director of the Company.

Currently, the Company's remuneration contracts do not include clawback provisions for incentive or variable pay. The Board and the RC believe that existing service contract terms for the Executive Director and key management personel, coupled with their fiduciary duties and available legal remedies under the Companies Act, provide sufficient recourse for the Company and its subsidiaries in cases of gross misconduct or underperformance

8. DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3 – Remuneration of Directors and Key Management Personnel

The RC primary objective is to maximise shareholder and stakeholder value by attracting and retaining a high-performing Board and Management team. This is accomplished through fair and appropriate remuneration, directly linked to the Group's strategic goals (including ESG goals and targets), financial and operational performance, and the interests of shareholders and key stakeholders.

In developing remuneration packages, the RC ensures that the Executive Director and Management are adequately (but not excessively) remunerated when measured against relevant industry standard and comparable companies. In addition, the RC performs an annual review of the remuneration of Management as well as of employees (if any) related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes, responsibilities, and experience. The RC also reviews and approves any bonuses, pay increases and/or promotion for Management. In so doing, the RC is mindful that fixed or base salaries are not disproportionate when compared to those of comparable companies, and discretionary or variable components of remuneration are linked to financial, operational and targets of the Group.

In relation to incorporating ESG targets into remuneration packages, the Board and the RC recognize that certain sustainability targets may not be easily measured. Notwithstanding, the Board and the RC, have determined that sustainability as an objective will, nevertheless, be included as part of the Group's overall future remuneration mix and reward policy.

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The Group has been building up its Renewable Segment in the last years, with the aim of fostering sustainability and delivering long-term sustainable value to shareholders and stakeholders. Although the Group's renewable energy endeavours are still in their nascent stages, significant progress has been made, notably with the successful completion of the Pilot Project. However, as at the date of this CG Report, these achievements have not yet translated into meaningful revenue generation.

As a result, while the Board credits Management for these achievements, no performance bonus has been given to any key management personnel in relation to the achievements made in the Renewable Segment for FY2024.

For FY2024, discretionary bonuses equivalent to an average of 1-3 months' base salary have been awarded to staff members and directors of P.J. Services Group.

The RC is satisfied that the remuneration paid out by the Group for FY2024 appropriately reflects the Group's current overall business and financial performance and is proportionate to its long-term value creation targets.

The Company has adopted the Annica Performance Share Plan ("**Annica PSP**") and the Annica Employee Share Option Scheme ("**Annica ESOS**") in 2016. The Annica PSP and the Annica ESOS are administered by the Company's Remuneration Committee, comprising Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin, Robin Stevens and Randell Leong. For FY2024, no share awards or share options were awarded/granted under the Annica PSP and the Annica ESOS, respectively.

The breakdown of remuneration paid to each individual Director and the CEO for FY2024 is as follows:

Name of Director	Salary	Bonus	Directors' fee	Allowances and benefits in kind[1]	Total
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin (Independent and Non-Executive Director)	–	–	$64,258	$1,800	$66,058
Sandra Liz Hon Ai Ling (Executive Director and Chief Executive Officer)	$216,000	$18,000	–	$46,128	$280,128
Lim In Chong (Non-Independent and Non-Executive Director)	–	–	$28,000	$1,200	$29,200
Su Jun Ming (Independent and Non-Executive Director)	–	–	$46,000	$1,800	$47,800
Robin Stevens (Independent and Non-Executive Director)	–	–	$46,000	$1,500	$47,500

Notes:

(1) Includes employer's CPF contribution, corporate apartment rental, utilities and medical fee.

The Group has only four (4) key management personnel (who are not Directors or CEO of the Company) during FY2024 and the aggregate remuneration paid to them was $647,253. A breakdown showing the level and mix of their remuneration for FY2024 is as follows:

Remuneration band and name of key management personnel	Salary %	Bonus %	Allowances and benefits in kind[1] %	Total %
Below $250,000				
Woon Ching Chuen	70%	6%	24%	100%
Pek Seck Wei	93%	–	7%	100%
Muhammad Hatta Bin Sukarni	88%	–	12%	100%
Between $250,000 to $500,000				
Musa Bin Mohamad Sahir	58%	24%	18%	100%

Notes:

(1) Includes employer's CPF/EPF contribution, travel, transport and mobile allowance.

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The RC has recommended that the Non-Executive Directors (including the Independent Directors) be paid directors' fees in an aggregate sum of $195,000 for the financial year ending 31 December 2025, payable quarterly in arrears, and this will be tabled at the Company's forthcoming annual general meeting for approval by the Company's shareholders. The sum was arrived at after taking into consideration the contributions, responsibilities, and efforts of the current Non-Executive Directors (including the Independent Directors).

Provision 8.2 – Employee who is Immediate Family Member of CEO

Ms. Melissa Hon Ai Yuen, the sister of Ms. Sandra Liz Hon Ai Ling, the Company's Executive Director and CEO, is employed by Panah Jaya Services Sdn. Bhd., a wholly owned subsidiary of the Company. She serves as a business support executive (a non-managerial position) of Panah Jaya Services Sdn. Bhd since 1 February 2023. Ms. Melissa Hon received remuneration not exceeding $100,000 for FY2024.

Save as disclosed above, there is no other person employed by the Group who is an immediate family member of a Director, CEO, a member of Management or a substantial shareholder, and whose remuneration exceeded $100,000 during FY2024.

(C) ACCOUNTABILITY AND AUDIT

9. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

Provision 9.1 - Risk Management and Internal Controls

The Board, with the assistance from the AC, is responsible for the governance of risk by ensuring that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company has in place a dynamic risk management process to identify, assess and mitigate significant risks, including sustainability and climate-related risks. This process encompasses a system of internal control policies and procedures, and incorporates internal audit recommendations and periodically reviewed by the AC. The AC exercises ongoing oversight of the internal control system, ensuring its adequacy and effectiveness through annual reviews and monitoring of implementation and improvements.

During the course of each financial year's audit, the external auditor reports any material internal control weaknesses to the AC. The Board ensures prompt implementation of recommended additional or revised measures. Management, in consultation with the AC and the Board, regularly reviews the Group's risk profile, assessing existing and potential risks against current controls to identify necessary enhancements. They also proactively monitor for emerging risks relevant to the Group's businesses and operations.

Although the Board is responsible for robust adequate and effective systems of internal controls and risk management framework, this framework aims to manage and mitigate, not eliminate, risks to achieve the Group's objectives. Consequently, it can only provide reasonable, not absolute, assurance against material misstatements or losses. Similarly, no system can guarantee complete protection against material errors, poor judgment, human errors, losses, fraud, or other irregularities.

Provision 9.2 – Assurance to the Board

For FY2024, the Board has received assurance from:

(a) the CEO and the Group Financial Controller that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and key management personnel of the relevant Group Subsidiaries that the Group's risk management and internal control systems in place within the Group are adequate and effective, and operating as intended.

CORPORATE GOVERNANCE REPORT

Based on the internal controls established and maintained by the Group, work performed by the Internal Auditor, External Auditor's report on their financial audit, reviews performed by Management, various Board Committees and the Board, as well as the aforesaid assurance received from the CEO, the Group Financial Controller and the key management personnel of the Group, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2024.

10. AUDIT COMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1 – Terms of Reference of the AC

The AC supports the Board in upholding strong corporate governance within the Group. It provides independent oversight of financial reporting, financial and operational risk management, and the effectiveness of internal control systems. The AC convenes at least four (4) times annually to review interim and full year financial results of the Group.

The key terms of reference of the AC include:

(a) review significant financial reporting issues and judgements in the Group so as to ensure the integrity of the Group's financial statements and any public announcements relating to the Group's financial performance;

(b) review, annually, the adequacy and effectiveness of the Group's internal controls and risk management system, including financial, operational, compliance and information technology control and risk management system;

(c) review assurances from the CEO and the Group Financial Controller on the proper maintenance of the Group's financial records and statements and that the Group's financial statements give a true and fair view of its operations and finances;

(d) make recommendations to the Board on: (i) the proposal to shareholders on the appointment and removal of the external auditor; and (ii) the remuneration and terms of engagement of the external auditor;

(e) review the adequacy, effectiveness, independence, scope and results of external audits performed and the Group's internal audit function; and

(f) review policies and procedures for addressing potential financial reporting improprieties and other concerns, ensuring independent and thorough investigation and appropriate remedial action.

The AC is authorised to conduct or commission investigations into matters within its purview. Management is required to provide full access, cooperation, and reasonable resources is available to enable the AC to effectively discharge its duties.

Whistleblowing Policy

The Company has publicly disclosed its whistle-blowing policy and reporting procedures. The policy encourages all stakeholders (internal and external) to raise concerns, in confidence, of any possible irregularities to Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin, the Chairman of the Board, or Mr. Robin Stevens, the AC Chairman and the Lead Independent Director.

Irregularities or concerns may include fraudulent acts, dishonesty, legal breaches and other serious and improper conduct, unsafe work practices and any other conduct that may cause loss (financial or otherwise) to the Group or damage to the Group's reputation. The policy provides an avenue for all stakeholders to raise concerns and offers reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith. The email addresses of Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin and Mr. Robin Stevens are stated in the whistle-blowing policy which can be found on the Company's website at https://www.annica.com.sg/.

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Whenever a concern is raised in writing, by telephone or in person to the abovementioned persons, the whistle-blower and the report received shall be treated with utmost confidentiality and will be attended to immediately. The whistle-blowing policy has been prominently posted on a notice board at the Company's premises.

Concerns raised may be addressed through agreed actions, without formal investigation. If an investigation is required, the whistle-blowing committee will initiate an independent inquiry. Whistle-blowers are expected to fully cooperate with any investigation.

The AC oversees the administration of the whistle-blowing policy, and the whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. At each AC meeting, each AC member will be asked to provide a confirmation whether it has received any whistle-blowing. The AC also maintains a register of whistle-blowing complaints which specifies details of the complaints received, the results of the investigations, and follow-up actions taken. For FY2024, the AC did not receive any whistleblowing report.

Provision 10.2 – Composition of the AC

The AC comprises three (3) members, all of whom including the AC Chairman, are Independent and Non-Executive Directors. The Lead Independent Director is the AC Chairman. As at the date of this CG Report, the AC comprises Mr. Robin Stevens (Chairman), Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin and Ms. Randell Leong.

The AC members, including the AC Chairman, possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise, as interpreted by the Board in its business judgment, to discharge their responsibilities. Mr. Robin Stevens (AC Chairman) possesses relevant accounting and finance expertise. Ms. Randell Leong has extensive business and management experience. Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin has legal and business expertise, with a good understanding of financial statements, derived from his past experience as a judge of the high court of Malaysia.

Provision 10.3 – External Audit

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

The AC has considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with the Management and the external auditors have been included as Key Audit Matters (the "**KAM**") in the audit report for FY2024 on pages 91 to 92 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of the estimates and key assumptions used. The AC concluded that the Management's accounting treatment and estimates in the KAM were appropriate.

Annually, the AC conducts a review of all non-audit services provided by the external auditors. The AC will receive an audit report from the external auditors setting out the non-audit services provided and fees charged, and review the nature and extent of such services, to ensure that the non-audit services will not prejudice the independence and objectivity of the external auditors.

The aggregate amount of fees paid and/or are payable to the external auditor for audit and non-audit services during FY2024 are as follows:

Service Category	**Fees Paid/ Payable ($'000)**
Audit Services	215
Non-Audit Services	13
Total Fees	228

The AC undertook a review of the non-audit services and the fees paid or payable to the external auditor for FY2024 and are of the opinion that the value and scope of the non-audit services would not affect the independence of the external auditor.

CORPORATE GOVERNANCE REPORT

The AC is given the task of commissioning investigation into matters where there is suspected fraud or irregularity, or failure of internal control or infringement of any law, rule or regulation which has or likely to have a material impact on the Company's operating results or financial position, and to review its findings. The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. The AC also recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to shareholders' approval at the AGM.

In reviewing the nomination of PKF-CAP LLP for re-appointment as the Company's external auditors for the financial year ending 31 December 2025, the AC has considered the adequacy of the resources, experience and competence of PKF-CAP LLP and the audit partner-in-charge assigned to the audit, and has taken into account the ACRA's Audit Quality Indicators Disclosure Framework relating to PKF-CAP LLP at the firm level and on audit engagement level. Consideration was also given to the firm's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional team members handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. PKF-CAP LLP have also confirmed their independence, and that they are registered with the ACRA and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

On the basis of the above, the AC and the Board are satisfied with the standard and quality of work performed by PKF-CAP LLP and have recommended the nomination of PKF-CAP LLP for re-appointment as external auditors of the Company for the ensuring year be tabled for shareholders' approval at the forthcoming AGM. For FY2024, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the external auditors of the Group's subsidiaries in Malaysia, Brunei, and Indonesia.

No former partner or director of the Company's existing auditing firm or auditing corporation has acted as a member of the AC (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

<u>Provision 10.4 – Internal Audit</u>

The internal audit function of the Group is currently outsourced to Yang Lee & Associates ("**YLA**"). YLA is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. YLA reports directly to the AC on internal audit matters and the CEO on administrative matters. YLA, as the internal auditor of the Company, has unfettered access to all the Group's documents, records, properties and personnel, including access to AC, and has appropriate standing within the Group. The AC decides on the appointment, removal, termination, evaluation and compensation of the internal auditors. The AC would annually review the independence, adequacy and effectiveness of the internal audit function of the Group. The AC is satisfied that the outsourced internal audit function is independent, adequately resourced, effective, and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualification and experience, and adhere to professional standards including those promulgated by the Institute of Internal Auditors.

For FY2024, an internal audit was performed on Panah Jaya Makmur Sdn Bhd (in respect of its sales and credit management, and cash management). The AC reviewed the findings of the internal auditor's report, and recommended that the Board direct Management to adopt all remedial or enhanced procedures proposed by the internal auditor.

<u>Provision 10.5 – Meeting with External Auditors and Internal Auditors without Prescence of Management</u>

In FY2024, the AC met with the internal and external auditors without the presence of the Management to discuss the scope of their work and the results of their examination and evaluation of the Company's accounting and internal control system, as well as to obtain feedback on Management and key management personnel of the Group Subsidiaries.

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

11. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position, and prospects.

Provision 11.1 - Shareholders' Rights

Shareholders are informed of the general meetings of the Company through the announcements released on the SGXNet and notices contained in the annual reports or circulars issued by the Company. Shareholders are also informed of the poll voting procedures at the general meetings. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meetings through the proxy form sent in advance.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notices of the general meetings are published in the newspaper and despatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least fourteen (14) clear calendar days before the meetings. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the Company's general meetings.

The Company acknowledges that voting by poll in all its general meeting is integral in the enhancement of corporate governance. All resolutions at the Company's general meetings are put to vote by poll. The poll voting procedures are clearly explained by the scrutineers at such general meetings. The detailed results of each resolution are announced via SGXNet after the general meetings.

Provision 11.2 - Conduct of General Meetings

The rules on the conduct of any general meeting and poll voting are explained to attending shareholders prior to the commencement of the meeting and the voting, respectively.

The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, the Company will explain the reasons and material implications in the notice of general meeting. The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each resolution is set out in the notice of general meeting.

Results of all resolutions passed are announced immediately before the conclusion of the general meeting after a scrutineer engaged by the Company has tallied all the votes and confirms the results.

Provision 11.3 – Attendance of Directors and Auditors at General Meetings

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company and the Group.

The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from shareholders, including the conduct of audit and the preparation and content of the auditors' report. All Directors will endeavour to be present at the Company's general meetings of Shareholders to address Shareholders' queries. The attendance of Directors for the Company's annual general meeting for FY2024 is set out under Provision 1.5 of this CG Report.

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Provision 11.4 – Voting by Absentia at General Meetings

The Company's Constitution provides that Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. However, the Board do not intend to implement voting by in absentia by way of mail, electronic mail or facsimile as the security measures to be implemented are not cost-effective and such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity is not compromised. Currently, shareholders may appoint a proxy or the Chairman of the general meeting as their proxy to vote on their behalf.

Provision 11.5 – Minutes of General Meetings

Minutes are taken for all general meetings, including substantive and relevant comments and queries from shareholders relating to the agenda of the general meeting and the responses from the Board or Management. Such minutes, which are subsequently approved by the Board, will be published on the Company's corporate website and on the SGXNET within one month from the general meeting.

Provision 11.6 – Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, the Group's development plans and other factors as the Board may deem appropriate. Any declaration of dividend is clearly communicated to shareholders via SGXNet together with the announcement of financial statements.

The Company did not declare any dividend for FY2024 as the Board deems it appropriate to conserve funds for the Group's business activities.

12. ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3 – Communication with Shareholders

The Company strives to engage with Shareholders as often as practicable by way of its public announcements on the SGXNET and general meetings. The Company is committed to providing shareholders with material information in a timely and transparent manner. All Shareholders are informed at the same time of all major developments and as soon as practicable, subject to the requirements of the Catalist Rules and confidentiality provisions relating to transactions with third parties.

The Company usually provides an overview of its financial and operational position and of the Group's key projects at the start of each annual general meeting. The Company's annual general meetings have been the primary forum for direct dialogue with shareholders, investors, and analysts. Attendees at the Company's annual general meetings have the opportunity to raise questions with the Board and the Management and clarify any issues that they may have. All Directors attend the Company's annual general meetings, and the external auditors are also engaged to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. Such meetings allow the Company to gather views or inputs, and address shareholders' concerns.

Shareholders are provided with an assessment of and update on the Company's performance, position and prospects through annual reports (which are issued within the mandatory period to all shareholders), the unaudited consolidated interim financial statements announcements, and other ad-hoc announcements via the SGXNET.

Shareholders and investors may also reach out to the Company as and when they may have any queries at the Company's email address (prinfo@annica.com.sg).

CORPORATE GOVERNANCE REPORT

13. MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1, 13.2 and 13.3 – Engagement with Stakeholders

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The key stakeholders that the Company has identified are shareholders, employees, investors customers, suppliers/business partners, and government and regulators. The Company engages its stakeholders through various channels to ensure the best interest of the Group and the needs and interest of material stakeholders are aligned.

Detailed approach to the stakeholder engagement and materiality assessment has been disclosed in the Group's sustainability report for FY2024. Please refer to the section entitled "Sustainability Report" as set out in this Annual Report for more information.

Shareholders and the public can access information on the Group via its website at https://www.annica.com.sg/, and may also reach out to the Company as and when they have any queries at the Company's email address (prinfo@annica.com.sg).

(E) OTHER INFORMATION

14. DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted an internal compliance code to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules.

The Company, Directors, officers and all employees of the Group, and their connected persons shall not deal in the securities of the Company (a) during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full-year financial statements, and ending on the date of announcement of the relevant financial statements; and (b) at any time while in possession of material unpublished price-sensitive information.

In addition, the Directors, officers and all employees of the Group, and their connected persons are reminded to observe insider trading laws at all times, and they are also directed to refrain from dealing in the securities of the Company on short-term considerations.

15. INTERESTED PERSON TRANSACTIONS

All interested person transactions are subject to review by the Board and the AC. The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

On 8 July 2024, the Company announced that it entered into a debt conversion agreement (the "**Debt Conversion Agreement**") with Ms. Sandra Liz Hon Ai Ling, Mr. Lim In Chong, Mr. Pek Seck Wei and Mr. Mohamed Shafeii Bin Abdul Gaffoor (the "**Creditors**") pursuant to which the Company would issue a total of 2,285,714,286 new ordinary shares (the "**Conversion Shares**") at an issue price per Conversion Share of $0.00105, in full and final settlement of cash advances in the aggregate amount of $2,400,000 ("**Advances**" or "**Outstanding Debt**") extended by the Creditors to the Company (the "**Debt Conversion**"). The Advances were extended to the Company by the Creditors on an interest-free and unsecured basis.

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Ms. Sandra Liz Hon Ai Ling is the Executive Director and CEO of the Company and Mr. Lim In Chong is a Non-Independent and Non-Executive Director of the Company. As Ms. Sandra Liz Hon Ai Ling and Mr. Lim In Chong are both Directors of the Company, they are deemed to be interested persons under Chapter 9 of the Catalist Rules and the allotment and issuance of the Conversion Shares to each of them under the Debt Conversion constitute interested person transactions within the meaning of Chapter 9 of the Catalist Rules. The Company had, on 29 August 2024, convened an extraordinary meeting and obtained shareholders' approval for the allotment and issuance of the Conversion Shares to Ms. Sandra Liz Hon Ai Ling and Mr. Lim In Chong. For further information on the Debt Conversion, please refer to the Company's circular to shareholders dated 14 August 2024.

The portion of the Outstanding Debt owing by the Company to and the number of Conversion Shares allotted and issued to each of Ms. Sandra Liz Hon Ai Ling and Mr. Lim pursuant to the Debt Conversion are as follows:

Name of Director / Interested Person	Nature of Relationship	Number of Conversion Shares	Portion of Outstanding Debt / Aggregate value of all interested person transactions during FY2024 (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than $100,000)
Ms. Sandra Liz Hon Ai Ling	Executive Director and CEO, and shareholder of the Company	1,047,619,048	$1,100,000	–
Mr. Lim In Chong	Non Independent and Non-Executive Director, and shareholder of the Company	95,238,095	$100,000	–

Save for the allotment and issuance of the Conversion Shares to Ms. Sandra Liz Hon Ai Ling and Mr. Lim In Chong pursuant to the Debt Conversion, there are no interested person transactions, excluding transactions which are less than $100,000, entered into by the Group with, Ms. Sandra Liz Hon Ai Ling, Mr. Lim In Chong or any other interested persons for FY2024.

16. MATERIAL CONTRACTS

Save for the service agreements entered into between the Company and the Executive Director and CEO, and the Debt Conversion Agreement, there are no other material contracts or loans entered into by the Company and its subsidiaries involving the interests of the CEO, any Directors, or controlling shareholders which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

17. NON-SPONSORSHIP FEES

The Company changed its continuing sponsor from Stamford Corporate Services Pte. Ltd. ("**SCS**") to ZICO Capital Pte. Ltd. ("**ZICO Capital**") with effect from 29 May 2024. With reference to Rule 1204(31) of the Catalist Rules, no non-sponsorship fees were paid to Stamford and ZICO Capital, for FY2024.

CORPORATE GOVERNANCE REPORT

INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors retiring and seeking for re-election at the forthcoming Annual General Meeting of the Company, in accordance to Appendix 7F of the Catalist Rules are set out below:

NAME OF DIRECTOR	Robin Stevens
1. Date of Initial Appointment	20 May 2022
2. Date of last re-appointment (if applicable)	29 April 2024
3. Age	71
4. Country of principal residence	United Kingdom
5. The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr. Robin Stevens ("**Mr. Stevens**") possesses extensive capital markets and corporate finance experience, and relevant experience in the renewable energy sector. The Board and the Nominating Committee ("**NC**") believes that such experience will be valuable to the Group as it develops its renewable energy business segment. In view of Mr. Stevens' position as a Senior Advisor and Head of Capital Markets at MHA MacIntyre Hudson ("**MHA UK**"), which is a UK independent member firm of Baker Tilly International, the Board and the NC have also considered Mr. Steven's independence as Baker Tilly TFW LLP ("**Baker Tilly**") was the former auditor of the Company. The Board and the NC are of the view that Mr. Stevens is independent for the following reasons: (a) member firms within the Baker Tilly International Network in each country work independently from each other; (b) no fees have ever been paid by the Group to MHA UK; and (c) Baker Tilly has ceased to be the auditor of the Company from the financial year ended 31 December 2021. Accordingly, the Board, having considered the NC's recommendations as well as the size, composition and diversity of skillsets on the Board, is of the view that Mr. Stevens has the requisite track record, qualifications and work experiences and is able to exercise objective judgement on the Company's affairs independently, and has therefore accepted the recommendation of the NC for the re-election of Mr. Stevens as an Independent and Non-Executive Director. The Board considers Mr. Stevens to be independent for the purposes of Rule 704(7) of the Catalist Rules.
6. Whether appointment is executive, and if so, the area of responsibility	Non-Executive
7. Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent and Non-Executive Director, Chairman of the Audit Committee, and a Member of the Nominating Committee and the Remuneration Committee

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8. Professional qualifications	Fellow of the Institute of Chartered Accountants of England and Wales
9. Working experience and occupation(s) during the past 10 years	(a) October 2024 to Present - Non-executive Director, Fairview International Plc (b) November 2023 to Present - Non-executive Director, East Imperial Plc (c) February 2022 to Present - Non-executive Director and Chairman of the Audit Committee, Hercules Site Services Plc (d) November 2021 to Present - Non-executive Director and Chairman of the Audit Committee, Aura Renewable Acquisitions Plc (e) July 2021 to Present - Head of Capital Markets and Senior Advisor, MHA MacIntyre Hudson (f) February 2020 to Present - Non-executive Chairman and Chairman of the Audit Committee, Vector Capital Plc (g) November 2019 to January 2025 - Non-executive Director, B Iconic Group Limited (h) October 2018 to Present – Director, Robin Stevens Consulting Limited (i) November 2021 to December 2023 - Non-executive Director and Chairman of Audit Committee, Avelas HoldCo Inc (j) July 2021 to December 2023 - Non-executive Director and Chairman of Audit Committee, Avelas Biosciences Inc (k) November 2018 to December 2022 - Executive Director, Macxchange Limited (l) November 2019 to May 2022 - Non-executive Director, B Iconic Limited (m) October 2018 to March 2021 – Senior Adviser, Crowe UK LLP (n) June 2000 to May 2018 – Executive Director, Zokora (No.2) Limited (o) July 2010 to September 2018 - Corporate Finance Partner, Crowe UK LLP
10. Shareholding interest in the listed issuer and its subsidiaries	Nil
11. Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
12. Conflict of interest (including any competing business)	Nil
13. Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

CORPORATE GOVERNANCE REPORT

i. Past Directorships (for the last 5 years)	(a) B Iconic Limited (November 2019 to May 2022) (b) Macxchange Limited (November 2018 to December 2022) (c) Avelas HoldCo Inc (November 2021 to December 2023) (d) Avelas Biosciences Inc (July 2021 to December 2023) (e) B Iconic Group Limited (November 2019 to January 2025)
ii. Present Directorships	(a) Fairview International Plc (October 2024 to Present) (b) East Imperial Plc (November 2023 to Present) (c) Hercules Site Services Plc (February 2022 to Present) (d) Aura Renewable Acquisitions Plc (November 2021 to Present) (e) Vector Capital Plc (February 2020 to Present) (f) Robin Stevens Consulting Limited (October 2018 to Present)
Disclose the following matters concerning the Directors	
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	(a) Zokora (No. 2) Limited ("**Zokora (No. 2)**") (dissolved in 2018) - Mr. Stevens was an executive director in Zokora (No. 2) from June 2000 to May 2018. Zokora (No. 2) was a wholly owned subsidiary of MRI Moores Rowland LLP, of which Mr. Stevens was a partner in from March 2003 to April 2007. The underlying business of Zokora (No. 2) was, simultaneously with MRI Moores Rowland LLP's business, sold to Mazars LLP in April 2007. Under the sale and purchase agreement in relation to Zokora (No. 2), the entity had to maintain its legal existence for three (3) years following the sale. Creditors' voluntary liquidation commenced in June 2010, three (3) years after the sale. The liquidator received one claim of 2,247 pounds and a contingent claim of 250,000 pounds. No dividend was paid to the unsecured creditors and the liquidator was unable to cover its costs and expenses in full. Mr. Stevens was not the subject of the claims nor involved in the liquidation process of Zokora (No 2). The creditors' voluntary liquidation was completed in May 2018.

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	(b) B Iconic Limited (dissolved in 2022) - Mr. Stevens was a non-executive director in B Iconic Limited from November 2019 to May 2022. B Iconic Limited was a non-trading ultimate holding company of a group of companies in the United Kingdom which is in the business of home entertainment and communications. The Business was severely affected by the Covid-19 lockdowns in Ireland and the United Kingdom in 2020 and the subsidiaries of B Iconic Limited were either sold or liquidated. B Iconic Limited was subsequently placed in a members' voluntary liquidation which commenced in April 2021. Mr. Stevens had no executive role in the operations of B Iconic Limited or the underlying subsidiaries of B Iconic Limited. The members' voluntary liquidation was completed in February 2022, with all creditors paid in full. B Iconic Limited was dissolved in May 2022. (c) B Iconic Group Limited ("**B Iconic Ireland**") (in liquidation, pending dissolution) - Mr. Stevens was a non-executive director in B Iconic Ireland from November 2019 to January 2025. B Iconic Ireland is an Irish incorporated non-trading intermediate holding company that, as part of a previous acquisition, had provided a guarantee to the vendors of approximately £1.2 million. Following the sale or closure of its subsidiaries, B Iconic Ireland was unable to meet the guarantee. Subsequently, B Iconic Ireland was placed into a creditors' voluntary liquidation in Ireland in November 2020. Mr. Stevens had no executive role in the operations of B Iconic Ireland or the underlying subsidiaries of B Iconic Ireland. (d) East Imperial Plc ("**East Imperial**") – East Imperial was placed in liquidation in August 2024, following a dispute with a major shareholder. Mr. Stevens serves as a non-executive director of East Imperial since November 2023, and has no executive role.
c. Whether there is any unsatisfied judgment against him?	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

CORPORATE GOVERNANCE REPORT

f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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NAME OF DIRECTOR	Lim In Chong
1. Date of Initial Appointment	6 July 2018
2. Date of last re-appointment (if applicable)	28 April 2023
3. Age	70
4. Country of principal residence	Malaysia
5. The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Lim In Chong ("**Mr. Lim**") as a Non-Independent and Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, taking into consideration, Mr. Lim's qualifications, work experiences and overall contribution since he was appointed as a Director of the Company, as well as the Group's Board Diversity Policy.
6. Whether appointment is executive, and if so, the area of responsibility	Non-Executive
7. Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director
8. Professional qualifications	Master of Design (Architecture & Design) - RMIT University, Melbourne, Australia Bachelor of Art - Trent University, Peterborough, Ontario, Canada
9. Working experience and occupation(s) during the past 10 years	(a) 2019 to present - Partner, Inarch Plt (b) 2015 to present - Director, Inchscape Pte Ltd (c) 2014 to present - Managing Director, Inchscape Sdn. Bhd. (d) 2014 to present - Director, Nenasi Resorts Sdn Bhd (e) 2008 to present - Key Director, C.I.J Properties (PVT) Ltd (f) 1992 to present - Director, Juara Tropika Sdn Bhd (g) 1990 to present - Director, Limex Marketing Sdn Bhd (h) 2009 to 2020 - Director, Folia Malaysiana Sdn Bhd
10. Shareholding interest in the listed issuer and its subsidiaries	Mr. Lim In Chong has a direct interest in 1,302,616,865 ordinary shares of the Company.
11. Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
12. Conflict of interest (including any competing business)	Nil
13. Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past Directorships (for the last 5 years)	(a) Folia Malaysiana Sdn Bhd (2009 to 2020)

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Present Directorships	(a) Inchscape Pte Ltd (2015 to present) (b) Inchscape Sdn. Bhd.(2014 to present) (c) Nenasi Resorts Sdn Bhd (2014 to present) (d) C.I.J Properties (PVT) Ltd (2008 to present) (e) Juara Tropika Sdn Bhd (1992 to present) (f) Limex Marketing Sdn Bhd (1990 to present) (g) P.J. Services Pte Ltd (2019 to present) (h) Industrial Engineering Systems Pte. Ltd. (2019 to present) (i) H2E International Pte Ltd (2023 to present)
15. Disclose the following matters concerning the Director:	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

CORPORATE GOVERNANCE REPORT

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) (any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	Randell Leong
1. Date of Initial Appointment	6 February 2025
2. Date of last re-appointment (if applicable)	Not applicable
3. Age	61
4. Country of principal residence	Hong Kong
5. The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the recommendations of the NC and the objectives of the Group's Board Diversity Policy, and having reviewed the track record, qualifications and work experience of Ms Randell Leong ("**Ms Leong**"), is satisfied that Ms Leong has the requisite experience and capabilities, and is able to exercise objective judgement on the Company's affairs independently. Accordingly, the Board accepted the recommendation of the NC for the re-election of Ms Leong as an Independent and Non-Executive Director of the Company. The Board considers Ms Leong to be independent for the purposes of Rule 704(7) of the Catalist Rules.
6. Whether appointment is executive, and if so, the area of responsibility	Non-Executive
7. Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Director, Chairman of the Nominating Committee and a Member of the Audit Committee and the Remuneration the Committee
8. Professional qualifications	Bachelor of Business, Major in Administration, Minor in Marketing - Edith Cowan University, Australia
9. Working experience and occupation(s) during the past 10 years	(a) September 2010 to March 2013; March 2015 to present - Chairman & CEO, Arielle Limited (b) February 2012 to present - CEO and Director, Arielle Capital Inc. (c) January 2022 to present - CEO and Director, Inkspotte Projects Pte Ltd (formerly known as Arielle Resources Pte. Ltd.) (d) September 2023 to present - Executive Director APAC, AmaLaTerra Inc. (e) April 2022 to present - Ambassador APAC, Nigeria - Guinea Bissau Chamber of Commerce, Industry, Mines and Agriculture (f) March 2023 to October 2024 - Director, Global Fund Alliance Partners Ghana Ltd. (g) April 2020 to April 2022 - Director, Mapleglobal Medical Supplies Inc. (h) January 2015 to July 2017 - Director, Maplesilk Canada Inc. (i) April 2015 to May 2018 - Director, Arielle Energy Pte. Ltd.
10. Shareholding interest in the listed issuer and its subsidiaries	None

CORPORATE GOVERNANCE REPORT

11. Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
12. Conflict of interest (including any competing business)	None
13. Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
iii. Past Directorships (for the last 5 years)	(a) Global Fund Alliance Partners Ghana Ltd (March 2023 to October 2024) (b) Mapleglobal Medical Supplies Inc. (April 2020 to April 2022)
iv. Present Directorships	(a) Arielle Capital Inc. (February 2012 to present) (b) Inkspotte Projects Pte Ltd (formerly known as Arielle Resources Pte. Ltd.) (January 2022 to present) (c) AmaLaTerra Inc. (September 2023 to present)
Disclose the following matters concerning the Director:	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

CORPORATE GOVERNANCE REPORT

(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Annica Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the financial year ended 31 December 2024, and the statement of financial position of the Company as at 31 December 2024 and the statement of changes in equity of the Company for the financial year ended 31 December 2024.

Opinion of the directors

In the opinion of the directors:

(a) the audited consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, after considering the measures taken by the Group and the Company with respect to their ability to continue as going concerns as described in Note 3.1 to the audited consolidated financial statements, there are reasonable grounds to believe that the Group and the Company will each be able to pay its respective debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin	-	Independent and Non-Executive Chairman
Sandra Liz Hon Ai Ling	-	Executive Director and Chief Executive Officer
Lim In Chong	-	Non-Independent and Non-Executive Director
Robin Stevens	-	Lead Independent and Non-Executive Director
Randell Leong (Appointed with effect from 6 February 2025)	-	Independent and Non-Executive Director

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year under review was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares, debentures or convertible securities of the Company or any other body corporate, except as disclosed under the sections titled "*Annica Performance Share Plan*", "*Annica Employee Share Option Scheme*", and "*Debt Conversion*" below.

Directors' interests in shares, convertible securities or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares, convertible securities or debentures of the Company and/or its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company pursuant to Section 164 of the Companies Act 1967 of Singapore (the "**Act**"), except as follows:

	Shareholdings in the Company registered in the name of a director		
Name	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**
Sandra Liz Hon Ai Ling (first appointed on 6 January 2016)	1,092,619,845	2,140,238,893	2,140,238,893
Lim In Chong (first appointed on 6 July 2018)	1,907,378,770	1,302,616,865	1,302,616,865
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin (first appointed on 5 July 2019)	140,000,000	140,000,000	140,000,000
Su Jun Ming (first appointed on 20 January 2016 and resigned on 8 January 2025)	54,630,992	54,630,992	54,630,992

DIRECTORS' STATEMENT

Directors' interests in shares, convertible securities or debentures (cont'd)

None of the directors of the Company has, whether at the beginning or at the end of the financial year, a deemed interest in the shares, share options, debentures or convertible securities of the Company or its related corporations held by another person or entity.

The Directors' interests in shares, share options, debentures or convertible securities of the Company or its related corporations at 21 January 2025 were the same as at 31 December 2024.

Directors' contractual benefits

Since the end of the previous financial year under review, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest, except as disclosed in the financial statements and in this statement.

Annica Performance Share Plan

On 2 September 2016, the shareholders of the Company approved the adoption of the Annica Performance Share Plan ("**Share Plan**") and the Annica Employee Share Option Scheme ("**ESOS**") (collectively, the "**Schemes**"). The aggregate number of new ordinary shares of the Company that may be issued under the Schemes shall not exceed 15% of the total number of issued ordinary shares of the Company from time to time.

On 27 December 2018, the Company granted 1,529,667,781 new ordinary shares ("**Share Awards 2018**") under the Share Plan to the persons as set out in the table below:

Name	Date of Award	Number of Shares Awarded	Vesting Date
Sandra Liz Hon Ai Ling	27 December 2018	1,092,619,845	27 December 2018
Pek Seck Wei (1)	27 December 2018	54,630,992	27 December 2018
Musa Bin Mohamad Sahir (2)	27 December 2018	54,630,992	27 December 2018
Former Directors and Key Management Personnel (3)	27 December 2018	327,785,952	27 December 2018

(1) Mr. Pek Seck Wei is a director of Industrial Engineering Systems Pte. Ltd., IES Engineering Systems Sdn. Bhd., H2E International Pte. Ltd., and Cahya Suria Energy Sdn. Bhd..

(2) Mr. Musa Bin Mohamad Sahir is the managing director of P.J. Services Pte. Ltd. and its subsidiaries.

(3) The "Former Directors and Key Management Personnel" include, but not limited to Mr. Su Jun Ming, who resigned as Lead Independent and Non-Executive Director of the Company with effect from 8 January 2025 and who had previously been awarded with 54,630,992 Share Awards 2018.

The Share Awards 2018 issued under the Share Plan were new ordinary shares, ranking pari passu with all other issued ordinary shares of the Company. The Share Awards 2018 vested as of the date of their issue on 27 December 2018. New ordinary shares corresponding to the respective number of shares awarded (as set out above) were issued to the recipients pursuant to the Share Awards 2018.

On 19 August 2022, the Company granted 300,000,000 new ordinary shares ("**Share Awards 2022**", and collectively with the Share Awards 2018, the "**Share Awards**") under the Share Plan to the persons set out in the table below:

Name	Date of Award	Number of Shares Awarded	Vesting Date
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin	19 August 2022	150,000,000	19 August 2022
Muhammad Hatta Bin Sukarni (1)	19 August 2022	50,000,000	19 August 2022
Woon Ching Chuen (2)	19 August 2022	30,000,000	19 August 2022
Other employees	19 August 2022	70,000,000	19 August 2022

(1) Mr. Muhammad Hatta Bin Sukarni is a director of H2 Energy Sdn. Bhd.

(2) Mr. Woon Ching Chuen was appointed as Group Financial Controller on 10 February 2023

DIRECTORS' STATEMENT

Annica Performance Share Plan (cont'd)

The Share Awards 2022 issued under the Share Plan were new ordinary shares, ranking pari passu with all other issued ordinary shares of the Company. The Share Awards 2022 vested as of the date of their issue on 19 August 2022. New ordinary shares corresponding to the respective number of shares awarded (as set out above) were issued to the recipients pursuant to the Share Awards 2022.

As at 31 December 2024, the following Share Awards under the Share Plan have been awarded:

Name of Director / key management personnel	Share Awards granted during financial year under review	Aggregate Share Awards granted since commencement of scheme to end of financial year under review	Date of Grant
Sandra Liz Hon Ai Ling[(1)]	–	1,092,619,845	27 December 2018
Pek Seck Wei	–	54,630,992	27 December 2018
Musa Bin Mohamad Sahir	–	54,630,992	27 December 2018
Former Directors and Key Management Personnel[(2)]	–	327,785,952	27 December 2018
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin[(3)]	–	150,000,000	19 August 2022
Muhammad Hatta Bin Sukarni	–	50,000,000	19 August 2022
Woon Ching Chuen[(4)]	–	30,000,000	19 August 2022
Other employees	–	70,000,000	19 August 2022

(1) The Share Awards granted to Ms. Sandra Liz Hon Ai Ling were in excess of 5% of all the Shares available under the Share Plan and the ESOS (in aggregate) as at the date of the Share Awards granted to Ms. Sandra Liz Hong Ai Ling.

(2) The "Former Directors and Key Management Personnel" include, but not limited to Mr. Su Jun Ming, who resigned as Lead Independent and Non-Executive Director of the Company with effect from 8 January 2025 and who had previously been awarded with 54,630,992 Share Awards 2018.

(3) The Share Awards granted to Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin were in excess of 5% of all the Shares available under the Share Plan and the ESOS (in aggregate) as at the date of the Share Awards granted to Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin. Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin has sold 10,000,000 of the Share Awards on 17 November 2023.

(4) Mr. Woon Ching Chuen was appointed as Group Financial Controller on 10 February 2023.

No recipient of the Share Awards under the Share Plan is a controlling shareholder of the Company or an associate of a controlling shareholder of the Company.

No Share Awards under the Share Plan were granted or cancelled, or have lapsed during the financial year under review.

Since the adoption of the Share Plan on 2 September 2016 until 31 December 2024, a total of 1,829,667,781 Share Awards have been granted, details of which have been set out above.

DIRECTORS' STATEMENT

Annica Employee Share Option Scheme

On 27 December 2018, the Company granted 42,500,000 share options under the ESOS ("**ESOS Options**"). The 42,500,000 ESOS Options were granted to employees of the Company's subsidiaries on the terms set out in the table below.

(a)	Date of grant of ESOS Options	27 December 2018
(b)	Exercise Price of ESOS Options granted	$0.001 per Share
(c)	Number of Shares comprised in the ESOS Options granted	42,500,000
(d)	Number of Shares comprised in the ESOS Options which have lapsed; and are null and void	12,500,000
(e)	Number of Shares comprised in the remaining ESOS Options	30,000,000
(f)	Number of Shares comprised in the ESOS Options granted to each Director and controlling shareholder (and each of their associates)	None
(g)	Market Price of the Shares on the Date of Grant	$0.001
(h)	Validity period of the ESOS Options	28 December 2019 - 27 December 2028 (both dates inclusive) ESOS Options shall only be exercisable after the 1st anniversary from the Date of Grant and before the 10th anniversary of the Date of Grant.

No director of the Company who held office at the end of the financial year ended 31 December 2024 was granted any ESOS Options.

No controlling shareholder of the Company or their associate has been granted any ESOS Options.

No director, key management personnel or employee of the Company and/or its subsidiaries (as defined in the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") received ESOS Options during the current financial year ended 31 December 2024.

With reference to Rule 851(1) of the Catalist Rules, as at 31 December 2024, further details of ESOS Options granted under the ESOS are as follows:

Name of Participant	ESOS Options granted during financial year under review (including terms)	Aggregate ESOS Options granted since commencement of scheme to end of financial year under review	Aggregate ESOS Options exercised since commencement of scheme to end of financial year under review	Aggregate ESOS Options outstanding as at end of financial year under review
Muhammad Hatta Bin Sukarni	–	12,500,000	–	12,500,000
Woon Ching Chuen*	–	9,500,000	–	9,500,000

*The Company has disclosed the ESOS Options granted to Mr. Woon Ching Chuen notwithstanding that he does not fall within the categories of participants specified in Rule 851 of the Catalist Rules in the interests of transparency and in light of his appointment as Group Financial Controller.

DIRECTORS' STATEMENT

Annica Employee Share Option Scheme (cont'd)

Except as disclosed above, no other ESOS Options or Share Awards were granted to:

(a) the directors, key management personnel and/or employees of the Company and/or its subsidiaries, and/or their respective associates; or

(b) the controlling shareholder(s) of the Company and/or its associate(s).

No option has been granted at a discount.

During the current financial year 2024, no share of the Company or any of its subsidiaries has been allotted and issued by virtue of the exercise of any ESOS Options granted.

Since the adoption of the ESOS on 2 September 2016, a total of 42,500,000 ESOS Options have been granted, details of which have been set out above. 12,500,000 of such ESOS Options have lapsed in accordance with the terms of the ESOS in 2021.

The remaining number of shares comprised in the ESOS Options as at 31 December 2024 are:

Name	Number of shares comprised in the ESOS Options granted
Number of shares comprised in the ESOS Options granted on 27 December 2018	42,500,000
Number of shares comprised in the ESOS Options which have lapsed	(12,500,000)
Total number of shares comprised in the outstanding ESOS Options as at 31 December 2024	**30,000,000**

Debt Conversion

On 29 August 2024, the Company's shareholders approved the conversion of interest-free and, unsecured cash advances ("**Cash Advances**") of $2,400,000 in aggregate, provided by the Group's directors and key management personnel into new ordinary shares of the Company under the following terms:

1. The aggregate sum of the Cash Advances, equivalent to $2,400,000 was converted into new 2,285,714,286 new ordinary shares of the Company ("**Debt Conversion Shares**"), allotted and issued on 3 September 2024.

2. The debt conversion price was $0.00105 per Debt Conversion Share.

3. The table below discloses the number of Debt Conversion Shares issued to directors of the Company and key management personnel of the Group.

Name	Information on Creditor	Portion of Cash Advances Converted	Number of Debt Conversion Shares Issued
Sandra Liz Hon Ai Ling[(1)]	Sandra Liz Hon Ai Ling is the Executive Director and Chief Executive Officer of the Company. Prior to the issuance by the Company of the Debt Conversion Shares, she held 1,092,619,845 Shares, representing 6.44% of the Existing Share Capital, and was a Substantial Shareholder of the Company. Prior to the issue of the Debt Conversion Shares to Sandra Liz Hon Ai Ling, the amount of Cash Advances provided by her and owing by the Company was $1,249,758.	$1,100,000	1,047,619,048

DIRECTORS' STATEMENT

Debt Conversion (cont'd)

Name	Information on Creditor	Portion of Cash Advances Converted	Number of Debt Conversion Shares Issued
Lim In Chong[(2)]	Lim In Chong is the Non-Independent and Non-Executive Director of the Company. Prior to the issuance by the Company of the Debt Conversion Shares, he held 1,807,378,770 Shares, representing 10.65% of the Existing Share Capital, and is a Substantial Shareholder of the Company. Prior to the issue of the Debt Conversion Shares to Lim In Chong, the amount of Cash Advances provided by him and owing by the Company was $108,588.	$100,000	95,238,095
Pek Seck Wei	Pek Seck Wei is a director of Industrial Engineering Systems Pte. Ltd., IES Engineering Systems Sdn. Bhd., Cahya Suria Energy Sdn. Bhd., and H2E International Pte. Ltd., each a subsidiary of the Company. Prior to the issuance by the Company of the Debt Conversion Shares, he held 454,630,992 Shares, representing 2.68% of the Existing Share Capital. Prior to the issue of the Debt Conversion Shares to Pek Seck Wei, the amount of Cash Advances provided by him and owing by the Company was $400,000.	$400,000	380,952,381
Mohamed Shafeii Bin Abdul Gaffoor	Mohamed Shafeii Bin Abdul Gaffoor is the Chief Executive Officer of Panah Jaya Services Sdn. Bhd., a subsidiary of the Company. Prior to the issuance by the Company of the Debt Conversion Shares, he did not hold any Shares. Prior to the issue of the Debt Conversion Shares to Mohamed Shafeii Bin Abdul Gaffoor, the amount of Cash Advances provided by him and owing by the Company was $800,000.	$800,000	761,904,762
Total		**$2,400,000**	**2,285,714,286**

(1) Following the issuance of 1,047,619,048 Debt Conversion Shares to Ms. Sandra Liz Hon Ai Ling, $149,758 in interest-free and unsecured Cash Advances remain owing by the Company to Ms. Sandra Liz Hon Ai Ling as of 29 August 2024.

(2) Following the issuance of 95,238,095 Debt Conversion Shares to Mr. Lim In Chong, $8,588 in interest-free and unsecured Cash Advances remain owing by the Company to Mr. Lim In Chong as of 29 August 2024.

Other than as set out above, as at the end of the financial year ended 31 December 2024 until the date of this statement, there was no other arrangement (to which the Company was a party) the objects of which are to enable directors of the Company to acquire benefits by means of the acquisition of shares, debentures or convertible securities of the Company or any other body corporate.

Audit Committee

The members of the Audit Committee during the financial year and as at the date of this statement are:

Mr. Robin Stevens (Chairman);
Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin;
Ms Randell Leong (appointed on 6 February 2025); and
Su Jun Ming (resigned on 8 January 2025).

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act and the Code of Corporate Governance 2018 (as last amended on 11 January 2023). Their functions are detailed in the Corporate Governance Report section of the annual report of the Company for the financial year ended 31 December 2024.

In performing its functions, the Audit Committee met with the Company's independent external and internal auditors to discuss the scope of their work, and the results of their examination and evaluation of the Company's internal accounting control system without the presence of the management of the Company.

DIRECTORS' STATEMENT

Audit Committee (cont'd)

The Audit Committee also (amongst other matters):

- reviewed the level of assistance provided by the Company's management to the independent external and internal auditors;
- reviewed the quarterly and annual financial statements of the Group and the Company prior to their submission to the Board for adoption and release on the SGXNet;
- provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls; and
- reviewed whether any transaction undertaken by the Group would constitute an interested person transaction (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") Catalist Rules.

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that PKF-CAP LLP be nominated for re-appointment as the independent auditor of the Company at the forthcoming annual general meeting.

Independent auditor

PKF-CAP LLP, the independent auditor, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
Independent and Non-Executive Chairman

Date: 11 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNICA HOLDINGS LIMITED

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Annica Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Qualified Opinion

Impairment Assessment of Consideration Due from Ms Chong Shin Mun, Loan to Former Subsidiary, and Amount Due from Former Subsidiary

As at 31 December 2023, the Group's receivables included the following:

- Consideration due from Ms Chong Shin Mun for the disposal of GPE Power Systems (M) Sdn. Bhd. ("GPE") amounted to $Nil (2022: $225,000) after deducting allowance for expected credit loss ("ECL") of $1,267,000 (2022: $933,000);

- A loan to a former subsidiary GPE with a carrying amount amounted to $2,285,000 (2022: $2,910,000), after deducting allowance for ECL of $773,000 (2022: $Nil); and

- An amount due from a former subsidiary GPE amounted to $300,000 (2022: $300,000).

For the financial year ended 31 December 2023, based on management's impairment assessment, the Group recognised additional ECL allowances of $334,000 on the consideration due from Ms Chong Shin Mun and $773,000 on the loan to a former subsidiary GPE.

We issued qualified opinions on the Group's consolidated financial statements for the financial years ended 31 December 2022 and 31 December 2023 due to our inability to obtain sufficient appropriate audit evidence regarding the appropriateness of the carrying amounts and recoverable amounts of the above receivables and their related ECL allowances. Accordingly, we were unable to determine whether any adjustments were necessary in respect of these balances and the related disclosures in the financial statements for both years.

As the opening ECL allowances impact the current year's financial performance and cash flows, we were also unable to determine whether any adjustments were necessary to the profit or loss reported in the consolidated statement of profit or loss and other comprehensive income, and to the net cash flows from operating activities reported in the consolidated statement of cash flows for the financial year ended 31 December 2024.

We conducted our audit in accordance with the Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNICA HOLDINGS LIMITED

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements (cont'd)

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 in the financial statements with respect to the Group's and the Company's ability to continue as going concerns. During the financial year ended 31 December 2024, the Group reported a net profit of $74,000 (2023: $928,000) and incurred net operating cash outflows of $310,000 (2023: net operating cash inflows of $1,409,000). As at 31 December 2024, the Group's and the Company's current liabilities exceeded their current assets by $2,212,000 (31 December 2023: net current liabilities $828,000) and $6,266,000 (31 December 2023: net current liabilities of $4,652,000), respectively. As at 31 December 2024, the Company have a net capital deficiency of $508,000 (31 December 2023: net capital deficiency of $2,642,000).

As stated in Note 3.1, these events or conditions, along with other matters as set forth in Note 3.1, indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, for the reasons disclosed in Note 3.1, the directors are of the view that it is appropriate for the financial statements of the Group and of the Company to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the *Basis for Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections, we have determined that the matters described below to be the key audit matters to be communicated in our report.

<u>Impairment assessment of property, plant and equipment</u>
(Refer to Notes 2.12, 3.2, and 11 to the financial statements)

As at 31 December 2024, the carrying amounts of the Group's and the Company's property, plant and equipment were $3,977,000 (2023: $226,000) and $3,745,000 (2023: $1,000) respectively, representing 38.20% and 45.25% of their respective total assets.

In accordance with SFRS(I) 1-36 Impairment of Assets, management is required to assess whether there are indicators of impairment and, if so, estimate the recoverable amount of the asset. The Group identified impairment indicators related to its vertical automatic waste tyre pyrolysis equipment, including changes in market environment, physical condition of the equipment, production yields, and the outlook for its output.

Management determined the recoverable amount of the equipment using the fair value less costs of disposal (FVLCD), applying the depreciated replacement cost method.

Based on this assessment, an impairment loss of $1,040,000 was recognised during the year, reducing the equipment's carrying amount to $3,741,000.

We considered this a key audit matter due to the materiality of the impairment loss and the significant judgement involved in estimating the recoverable amount. The valuation required key assumptions regarding the equipment's physical condition, age, and adjustments for economic and functional obsolescence, which were determined by management's valuation expert.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANNICA HOLDINGS LIMITED

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Our audit procedures included, among others:

- Obtained an understanding of management's impairment assessment process.
- Reviewed the valuation report prepared by management's expert, including the methodology applied and the reasonableness of key assumptions.
- Tested the mathematical accuracy of the depreciated replacement cost model.
- Involving internal valuation specialists to evaluate the appropriateness of the valuation approach and assumptions used.
- Performing sensitivity analysis on key assumptions impacting the valuation outcome.
- Assessing the adequacy of related disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's 2024 Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained all the other information prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section of our report, we are unable to obtain sufficient appropriate audit evidence with respect to the opening balances of the allowance for expected credit losses and its effect on the current financial year's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNICA HOLDINGS LIMITED

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ANNICA HOLDINGS LIMITED

For the financial year ended 31 December 2024

Report on other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Lim Ryh Jye.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore
11 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 $'000	(Restated) 2023 $'000
Continuing operations			
Revenue	4	**12,627**	15,838
Cost of sales		**(7,345)**	(10,352)
Gross profit		**5,282**	5,486
Other income	5	**2,649**	404
Interest income	5	**146**	208
Selling and distribution expenses		**(247)**	(178)
Administrative and general expenses		**(5,449)**	(4,949)
Other expenses	6	**(1,545)**	(274)
Impairment losses on trade and other receivables		**–**	(1,107)
Finance costs	7	**(376)**	(213)
Profit/(Loss) before tax from continuing operations	8	**460**	(623)
Tax expense	9	**(178)**	(91)
Profit/(Loss) for the financial year from continuing operations		**282**	(714)
Discontinued operations			
Loss for the financial year from discontinued operations	31	**(208)**	(214)
Profit/(Loss) for the financial year		**74**	(928)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		**133**	(149)
Other comprehensive income/(loss) for the financial year, net of tax		**133**	(149)
Total comprehensive income/(loss) for the financial year		**207**	(1,077)
Profit/(Loss) for the financial year attributable to:			
Equity holders of the Company		**(21)**	(1,235)
Non-controlling interests		**95**	307
Total profit/(loss) for the financial year		**74**	(928)
Profit/(Loss) for the financial year attributable to:			
Equity holders of the Company			
- Profit/(Loss) from continuing operations		**187**	(1,021)
- Loss from discontinued operations		**(208)**	(214)
		(21)	(1,235)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**112**	(1,384)
Non-controlling interests		**95**	307
Total comprehensive income/(loss) for the financial year		**207**	(1,077)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company			
- Profit/(Loss) from continuing operations		**320**	(1,170)
- Loss from discontinued operations		**(208)**	(214)
		112	(1,384)
(Loss)/Earnings per share for profit/(loss) attributable to equity holders of the Company (cents per share):			
Basic and diluted			
From continuing and discontinued operations	10	**(0.0001)**	(0.0073)
From continuing operations		**0.0011**	(0.0060)
From discontinued operations		**(0.0012)**	(0.0013)

Note: Comparative information has been re-stated due to the discontinued operations as disclosed in Note 31 and Note 36.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 December 2024

		Group		Company	
		2024	2023	**2024**	2023
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**3,977**	226	**3,745**	1
Right-of-use assets	12	**622**	804	**196**	263
Intangible assets	13	**36**	36	**–**	–
Investments in subsidiaries	14	**–**	–	**1,890**	1,890
Trade and other receivables	16	**–**	–	**64**	229
Deferred tax assets	17	**41**	25	**–**	–
		4,676	1,091	**5,895**	2,383
Current assets					
Cash and cash equivalents	18	**1,958**	3,013	**85**	66
Fixed deposits	19	**143**	434	**–**	–
Trade and other receivables	16	**2,518**	7,175	**797**	3,363
Inventories	20	**1,108**	383	**–**	–
Financial assets at fair value through profit or loss	15	**–***	–*	**–***	–*
Total current assets excluding asset classified as held-for-sale		**5,727**	11,005	**882**	3,429
Assets of disposal group classified as held-for-sale	21	**7**	–	**1,500**	–
		5,734	11,005	**2,382**	3,429
Total assets		**10,410**	12,096	**8,277**	5,812
LIABILITIES					
Non-current liabilities					
Borrowings	23	**190**	647	**137**	373
Provision for employee benefits	24	**156**	108	**–**	–
Deferred tax liabilities	17	**3**	–	**–**	–
		349	755	**137**	373
Current liabilities					
Trade and other payables	22	**5,546**	7,640	**6,849**	6,372
Contract liabilities	25	**194**	2,008	**–**	–
Borrowings	23	**2,032**	2,054	**1,799**	1,709
Tax payables		**126**	131	**–**	–
Total current liabilities excluding liabilities relating to assets as held-for-sale		**7,898**	11,833	**8,648**	8,081
Liabilities directly associated with disposal group classified as held-for-sale	21	**48**	–	**–**	–
		7,946	11,833	**8,648**	8,081
Total liabilities		**8,295**	12,588	**8,785**	8,454
Net assets/(liabilities)		**2,115**	(492)	**(508)**	(2,642)
EQUITY					
Share capital	26	**70,501**	68,101	**70,501**	68,101
Other reserves	27	**(639)**	(772)	**89**	89
Accumulated losses		**(68,096)**	(68,075)	**(71,098)**	(70,832)
Equity/(Capital deficiency) attributable to equity holders of the Company		**1,766**	(746)	**(508)**	(2,642)
Non-controlling interests		**349**	254	**–**	–
Total equity/(capital deficiency)		**2,115**	(492)	**(508)**	(2,642)

* Amount less than $1,000

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share capital $'000	Other reserves $'000	Accumulated losses $'000	Equity attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group						
Balance at 1 January 2023	68,101	(2,041)	(65,425)	635	(53)	582
Transaction with owners, recognised directly in equity						
Bonus shares issue in a subsidiary (Note 27)	–	1,416	(1,416)	–	–	–
(Loss)/Profit for the financial year	–	–	(1,235)	(1,235)	307	(928)
Other comprehensive loss						
- Currency translation differences arising from consolidation	–	(149)	–	(149)	–	(149)
Total comprehensive (loss)/income for the financial year	–	(149)	(1,235)	(1,384)	307	(1,077)
Changes in ownership interests in a subsidiary						
Disposal of ownership interest in a subsidiary (Note 27)	–	3	–	3	–	3
Reclassification of cumulative foreign currency translation reserve to profit or loss upon disposal of subsidiary (Note 27)	–	(1)	1	–	–	–
	–	2	1	3	–	3
Balance at 31 December 2023	68,101	(772)	(68,075)	(746)	254	(492)
Transaction with owners, recognised directly in equity						
Issuance of ordinary shares of the Company (Note 26)	2,400	–	–	2,400	–	2,400
(Loss)/Profit for the financial year	–	–	(21)	(21)	95	74
Other comprehensive income						
- Currency translation differences arising from consolidation	–	133	–	133	–	133
Total comprehensive income/(loss) for the financial year	–	133	(21)	112	95	207
Balance at 31 December 2024	**70,501**	**(639)**	**(68,096)**	**1,766**	**349**	**2,115**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share capital $'000	Capital reserve $'000	Accumulated losses $'000	Total equity $'000
Company				
Balance at 1 January 2023	68,101	89	(68,231)	(41)
Total comprehensive loss for the financial year	–	–	(2,601)	(2,601)
Balance at 31 December 2023	68,101	89	(70,832)	(2,642)
Issuance of ordinary shares of the Company (Note 26)	2,400	–	–	2,400
Total comprehensive loss for the financial year	–	–	(266)	(266)
Balance at 31 December 2024	**70,501**	**89**	**(71,098)**	**(508)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	2024 $'000	(Restated) 2023 $'000
Cash flows from operating activities			
Profit/(Loss) before tax from continuing operations		**460**	(623)
Loss before tax from discontinued operations		**(208)**	(214)
		252	(837)
Adjustments for:			
Depreciation of property, plant and equipment	11	**165**	159
Depreciation of right-of-use assets	12	**308**	253
Fair value gain on borrowings		**(5)**	–
Write-off of property, plant and equipment	6	**–**	1
Impairment losses on trade and other receivables		**–**	1,107
Interest expenses		**378**	221
Interest income		**(146)**	(208)
Reversal of withholding tax expenses	5	**(121)**	–
Gain on disposal of subsidiaries	32	**–**	–*
Bad debt written off	6	**–**	2
Bad debt recovered	5	**(2,071)**	(11)
Impairment loss on property, plant and equipment	6	**1,040**	–
Currency translation adjustments		**102**	(219)
Operating cash flow before working capital changes		**(98)**	468
Changes in working capital:			
Inventories		**(725)**	(82)
Trade and other payables and contract liabilities		**(1,295)**	(2,819)
Trade and other receivables		**1,999**	3,951
Cash (used in)/generated from operations		**(119)**	1,518
Income tax paid		**(191)**	(109)
Net cash (used in)/generated from operating activities		**(310)**	1,409
Cash flows from investing activities			
Interest received		**24**	12
Purchase of property, plant and equipment		**(174)**	(70)
Net cash used in investing activities		**(150)**	(58)
Cash flows from financing activities			
Interest paid for bank loans		**(259)**	(20)
Interest paid for lease liabilities		**(25)**	(16)
Interest paid for third party loan		**(261)**	(350)
Release of fixed deposit pledged		**312**	18
Placement of deposit in cash margin account		**(260)**	–
Proceeds from borrowings		**1,500**	1,500
Repayment of principal portion of borrowings		**(1,595)**	(600)
Repayment of principal portion of lease liabilities		**(274)**	(241)
Net cash (used in)/generated from financing activities		**(862)**	291
Net (decrease)/increase in cash and cash equivalents		**(1,322)**	1,642
Cash and cash equivalents at beginning of the financial year		**3,013**	1,430
Effects of foreign currency translation on cash and cash equivalents		**14**	(59)
Cash and cash equivalents of disposal group classified as held-for-sale (Note 21)		**(7)**	–
Deposit placed in cash margin account		**260**	–
Cash and cash equivalents at end of the financial year (Note 18)		**1,958**	3,013

* Amount less than $1,000

Note: Comparative information has been re-stated due to the discontinued operations as disclosed in Note 31 and Note 36.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

Annica Holdings Limited (the "**Company**") (Co. Reg. No. 198304025N) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 40 Ubi Crescent, #01-01, Singapore 408567. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries disclosed in Note 14 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements are presented in Singapore Dollars ("**$**"), which is the Company's functional currency and all financial information presented in Singapore Dollars are rounded to the nearest thousand ($'000) except when otherwise indicated. These financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") under the historical cost convention, except as disclosed in the accounting policies below.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables, trade and other current payables and borrowings (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

On January 1, 2024, the Group and the Company adopted all the new and revised SFRS(I)s pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the disclosures or on the amounts reported for the current or prior financial years.

Effective for annual period beginning on 1 January 2024:

- Amendments to SFRS(I) 16 Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards not yet effective

At the date of authorisation of these financial statements, the Group and Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Applies to annual periods beginning on or after 1 January 2025:

- Amendments to SFRS(I) 1-21: Lack of Exchangeability (effective for annual reporting periods beginning on or after 1 January 2025)
- Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026)
- Amendments to SFRS(I) 18 Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)
- Amendments to SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

Date to be determined:

- Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption, except as below:

<u>SFRS(I) 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)</u>

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit or loss, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit or loss is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit or loss:
  - Foreign exchange differences currently aggregated in the line item 'Other income' and 'Other expenses' in operating profit or loss might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit or loss.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards not yet effective (cont'd)

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - o management-defined performance measures;
  - o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - o for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

2.2 Revenue recognition

Sales of goods

The Group mainly traded in oilfield equipment and related products. Revenue from the sale of these goods is recognised at a point in time when control of the goods has transferred to its customers, being when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the contract. The customer may be required to pay part of the contract price upon signing the contract and the remaining contract price before delivery and/or 60 - 90 days from the delivery date. There is no significant financing component present as the payment terms is an industry practice to protect the performing entity from non-payment from customer and the period between the transfer of the promised goods and payment by the customer is generally less than one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due. The difference between the consideration due or received in accordance with the payment terms and revenue recognised is recognised as contract liabilities.

Rendering of services

The Group provides (i) ad-hoc maintenance services such as equipment inspection and equipment servicing; and (ii) ad-hoc engineering work. Revenue from services is recognised at a point in time when the service is performed and accepted by customers.

A receivable is recognised upon completion of services and acceptance by the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2. Material accounting policy information (cont'd)

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting date. Subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary company. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.11. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are part of the net results of operations and of net assets of a subsidiary company attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary company, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.3 Basis of consolidation (cont'd)

When a change in the Company's ownership interest in a subsidiary company results in a loss of control over the subsidiary company, the assets and liabilities of the subsidiary company including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated losses if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary company is remeasured at fair value at the date that control is lost. The difference between the carrying amounts of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2.4 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.5 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Government grants relating to expenses are shown separately as other income.

2.6 Employee compensation

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.6 Employee compensation (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the financial year.

Defined benefit plans

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to profit or loss spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Plan assets, if any, are measured at fair value.

Past service costs are recognised immediately in profit or loss.

The Group's total contribution relating to the defined pension plans are charged to profit or loss in the period to which they relate.

Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each annual reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account if new ordinary shares are issued, or credited to the "treasury shares" account if treasury shares are re-issued to the employees. Upon expiry of the options, the balance in the share option reserve is transferred to retained earnings.

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.7 Income taxes (cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2.8 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The financial statements of the Group and the Company are presented in Singapore Dollars, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.8 Foreign currencies (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

On disposal of a foreign group entity, the cumulative amount of the foreign currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.9 Property, plant and equipment (cont'd)

Depreciation is calculated on a straight-line basis to write off the cost of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Fixtures and fittings	3 to 5 years
Plant and equipment	3 to 20 years
Motor vehicles	4 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Group is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented within "borrowings" in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, such as a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Material accounting policy information (cont'd)

2.10 Leases (cont'd)

When the Group is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities, and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.12.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

When the Group is an intermediate lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease, as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amount due from leases under finance leases are recognised as receivables at the amount of the Group's lease receivables. Each lease payment received is applied against the gross lease receivables to reduce both principal and unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the lease receivables.

Initial direct cost incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 16 *Leases* to allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.11 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.12 Impairment of non-financial assets

At the end of the reporting date, the Group assesses the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.13 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2. Material accounting policy information (cont'd)

2.13 Financial assets (cont'd)

Recognition and derecognition (cont'd)

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("**FVTPL**").

The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("**SPPI**")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents, fixed deposits and trade and other receivables (excluding prepayments, advance billings from suppliers, tax recoverable and GST receivables). The financial assets, depending on the Group's business model for managing the asset and cash flow characteristics of the asset are measured as follows:

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("**EIR**") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.13 Financial assets (cont'd)

Subsequent measurement (cont'd)

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in either "other income" or "other expenses".

Impairment

The Group recognises an allowance for expected credit losses ("**ECLs**") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous financial year, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash and bank balances which are subject to insignificant risk of changes in value.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using a first-in first-out basis for general stock and specific cost basis for unique stock. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2. Material accounting policy information (cont'd)

2.16 Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised leave, GST payables and withholding tax payables), provision for employee benefits and borrowings. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

2.17 Borrowings

Loans

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the financial year, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.18 Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are reviewed at end of each financial year and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). If it is no longer likely than not that an outflow of resources will be required to settle the obligation, the provisions will be reversed.

2.19 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2.20 Share capital

Proceeds from issuance of ordinary shares of the Company are recognised as share capital in equity.

Incremental costs directly attributable to the issuance of ordinary shares of the Company are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.21 Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

2.22 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.24 Related parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

2.25 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2. Material accounting policy information (cont'd)

2.26 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the financial year. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's material accounting policies which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Going concern

During the financial year ended 31 December 2024, the Group reported a net profit of $74,000 (2023: net loss of $928,000) and incurred net operating cash outflows of $310,000 (2023: net operating cash inflows of $1,409,000). As at 31 December 2024, the Group's and the Company's current liabilities exceeded their current assets by $2,212,000 (31 December 2023: net current liabilities $828,000) and $6,266,000 (31 December 2023: net current liabilities of $4,652,000), respectively. As at 31 December 2024, the Company has a net capital deficiency of $508,000 (31 December 2023: net capital deficiency of $2,642,000).These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.1 Critical judgements made in applying accounting policies (cont'd)

Going concern (cont'd)

Nevertheless, the Board of Directors are of the view that it is appropriate for the financial statements of the Group and of the Company to be prepared on a going concern basis as:

(1) The Group has prepared a 16-month consolidated cash flow forecast of the Group for the period from 1 January 2025 to 30 April 2026 and it showed that the Group and the Company will be able to generate sufficient cash flows in the next 16 months subsequent to 31 December 2024 to meet their financial obligations as and when they fall due, by taking into consideration the following:

(a) The Group activities is expected to generate positive cash flows for the Group and the Company over the next 16 months subsequent to 31 December 2024;

(b) Revenue contributions from the Renewable Segment is expected to positively contribute to the Group's cash flows from the expected growth in this segment over the next 16 months; and

(c) The integration of P.J. Services Pte. Ltd. ("**PJS**") and Industrial Engineering Systems Pte. Ltd. ("**IES**") operations in FY2024, which has streamlined our oil and gas equipment and engineering services segments, redirecting their focus to serve broader markets along the value chain while enhancing cost-efficiency and brand visibility.

(2) During the current financial year, the Group has secured an additional loan facility of $2,000,000 to support its working capital requirements. As of 31 December 2024, $500,000 has been drawn down, with remaining $1,500,000 undrawn amount available for future drawdowns.

(3) The Directors are actively exploring various corporate strategies, including fund raising for Renewable Segment, strategic acquisitions and restructuring the Group's existing businesses or assets to strengthen the Group's earnings base.

(4) Subsequent to 31 December 2024, the Company has received comfort letters from potential investors on their commitment in capital injection of approximately $2 million via issuance of new ordinary shares of the Company.

Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months from the financial year ended 31 December 2024 and that the going concern basis of preparation of these financial statements remains appropriate.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and current liabilities.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices of their goods and services.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.1 Critical judgements made in applying accounting policies (cont'd)

*Critical judgements made in concluding the Group had control over H2 Energy Sdn. Bhd. ("**H2E**")*

As disclosed in Note 14 (a) to the financial statements, the Group had an effective equity interest of 49% (2023: 49%) in H2 Energy Sdn. Bhd. ("**H2E**"). The Group has assessed and determined that it has control of H2E even though it holds less than half of the voting rights of H2E, with the following factors and indicators that established the Group has sufficient rights to give it power over H2E:

a) The Group can, without having the contractual right to do so, appoint or approve H2E's key management personnel who have the ability to direct relevant activities (i.e. the activities that significantly affect the investee's returns) of H2E.

   The Chief Executive Officer, Finance Director and Technical Director of H2E are current employees and related parties of the entities within the Group. H2E depends on the Group for these key management personnel that have specialised knowledge of H2E's operations.

b) H2E's operations are dependent on the Group; this is evident as H2E depends on the Group to fund a portion of its operations and for the supply of manpower in relation to critical services for the operational, commercial, finance and administrative activities of H2E, including the supply of key management personnel.

c) A significant portion of H2E's activities either involve or are conducted on behalf of the Group, as H2E is supported by the Group's engineering arm of the Renewable Segment and majority of H2E employees (including key management personnel) are from the Group.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Group's inventories as at 31 December 2024 was $1,108,000 (2023: $383,000).

Estimating the incremental borrowing rate for leases

The Group uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate by using observable inputs such as market interest rates, when available and is required to make certain entity-specific estimates, such as the entity's stand-alone credit rating. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use asset at the commencement date of new leasing transactions. The carrying amount of right-of-use assets and lease liabilities are disclosed in Notes 12 and 23, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Details of the impairment assessment (including key assumptions used) of the Company's plant and equipment and investment in subsidiaries are disclosed in Note 11 and 14, respectively. Changes in key assumptions made could affect the carrying value of these assets.

*Calculation of expected credit losses ("**ECL**") allowance of trade and other receivables*

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables. Details of ECL measurement and carrying value of trade and other receivables at reporting date are disclosed in Notes 16 and 34(b) respectively.

4. Revenue

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Sales of goods	**9,204**	11,071
Services rendered	**3,423**	4,767
	12,627	15,838

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Revenue (cont'd)

Disaggregation of revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical markets and timing of revenue recognition:

	2024 $'000	(Restated) 2023 $'000
Oil and gas equipment segment:		
Primary geographical markets		
Brunei & Myanmar	4,885	8,002
Malaysia	4,617	5,460
Indonesia	1,469	1,288
Thailand	1,180	536
Singapore	454	491
Others	20	59
Vietnam	2	2
	12,627	**15,838**
Timing of transfer of goods and services		
At a point in time	**11,289**	**15,838**
Overtime	**1,338**	**–**
	12,627	**15,838**

Revenue recognised during the financial year from:

	Group 2024 $'000	2023 $'000
Amounts included in contract liabilities at beginning of the financial year	**2,008**	6,755

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation as the performance obligation is part of the contracts that have original expected duration of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Other income and interest income

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Other income		
Extension fees on amount due from Ms Chong Shin Mun	**35**	60
Commission income	**–**	4
Government grant income	**17**	10
Reversal of withholding tax expenses	**121**	–
Bad debt recovered	**2,071**	–
Foreign currency exchange gain	**398**	320
Miscellaneous	**7**	10
	2,649	404
Interest income		
- bank and fixed deposits	**24**	12
- loan to a former subsidiary (GPE) and consideration due from disposal of a subsidiary (GPE) from Ms Chong Shin Mun	**122**	196
	146	208

6. Other expenses

	Group	
	2024	2023
	$'000	$'000
Foreign currency exchange loss	**492**	271
Write off of property, plant and equipment	**–**	1
Bad debt written off	**–**	2
Miscellaneous expenses	**13**	–
Impairment loss on property, plant and equipment (Note 11)	**1,040**	–
	1,545	274

7. Finance costs

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Interest expenses:		
- lease liabilities [Note 23 and 28(a)]	**25**	14
- bank loans (Note 23)	**16**	24
- Loan from third parties (Note 23)	**325**	170
- Provision for employee benefits (Note 24)	**10**	5
	376	213

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. Profit/(Loss) before tax

In addition to the transactions disclosed elsewhere in the notes to the financial statements, the profit/(loss) before tax is arrived at after charging:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Depreciation expense on property, plant and equipment	**165**	159
Depreciation expense on right-of-use assets	**278**	253
Directors' fees		
- company	**166**	174
- subsidiary	**18**	18
Audit fees paid/payable to:		
- auditor of the Company	**202**	176
- other auditors	**33**	29
Fees on non-audit services paid/payable to:		
- auditor of the Company	**9**	11
- other auditors	**4**	4
Short term lease expense [Note 28(a)]	**240**	154
Staff costs (Note A)	**2,782**	2,418
Bad debt recovered	**(2,071)**	–
Impairment loss on property, plant and equipment (Note 11)	**1,040**	–

Note A- Staff costs

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Key management personnel:*		
Wages, salaries and other related costs excluding directors' fees	**977**	763
Employer's contribution to defined contribution plans including Central Provident Fund	**51**	36
	1,028	799
Other staff:		
Wages, salaries and other related costs	**1,589**	1,480
Employer's contribution to defined contribution plans including Central Provident Fund	**165**	139
	2,782	2,418
* Comprise amounts paid/payable to:		
- Directors of the Company	**578**	241
- Other key management personnel	**450**	558
	1,028	799

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. Tax expense

	Group	
	2024	2023
	$'000	$'000
Tax expense for the financial year consist of:		
Current income tax		
- continuing operation	**191**	134
- discontinued operation	**–**	–
Deferred tax (Note 17)		
- continuing operation	**(13)**	(43)
- discontinued operation	**–**	–
	178	91

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Profit/(Loss) before tax from continuing operation	**460**	(623)
Loss before tax from discontinued operation	**(208)**	(214)
	252	(837)
Tax calculated at a tax rate of 17% (2023: 17%)	**43**	(142)
Effect of different tax rates in other countries	**22**	5
Expenses not deductible for tax purposes	**487**	288
Income not subject to tax[(1)]	**(543)**	(124)
Income exemption and tax incentive	**(39)**	(64)
Utilisation of unabsorbed tax losses	**(37)**	(91)
Utilisation of deferred tax assets previously not recognised	**(11)**	(5)
Deferred tax assets not recognised	**256**	218
Double deduction of expenses	**(1)**	–
Others	**1**	6
	178	91

(1) Included in income not subject to tax mainly comprise of extension fees of $35,000 (2023: $60,000) under Note 5.

As at 31 December 2024, the Group has deferred tax assets in respect of unutilised tax losses of $26,000,572 (2023: $24,580,636) and unabsorbed capital allowance of $76,574 (2023: $80,690) which are available to offset against future taxable income, subject to agreement by the tax authority and compliance with relevant provisions of the Singapore Income Tax Act. The potential deferred tax asset has not been recognised in the statements of financial position as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be utilised.

The corporate tax rates applicable to companies incorporated in Singapore and foreign subsidiaries of the Group are 17% (2023: 17%) and 15% to 24% (2023: 15% to 24%), respectively for the year of assessment 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10. (Loss)/Earnings per share

Basic (loss)/earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Profit/(Loss) from continuing operations	**187**	(1,021)
Loss from discontinued operations	**(208)**	(214)
Loss for the year attributable to equity holders of the Company	**(21)**	(1,235)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**17,705,446**	16,974,767
Basic and diluted earnings/(loss) per share (cents)		
- continuing operations	**0.0011**	(0.0060)
- discontinued operations	**(0.0012)**	(0.0013)
Total continuing and discontinued operations	**(0.0001)**	(0.0073)

There was no difference between the basic and diluted earnings/(loss) per share as the effect of all potentially dilutive shares outstanding was anti-dilutive for the financial years ended 31 December 2024 and 31 December 2023.

11. Property, plant and equipment

	Fixtures and fittings	Plant and equipment	Motor vehicles	Total
	$'000	**$'000**	**$'000**	**$'000**
Group				
2024				
Cost				
At 1 January 2024	548	552	1	1,101
Additions	137	4,818	–	4,955
Reclassified to disposal group	(34)	(5)	–	(39)
Translation differences	3	4	–	7
At 31 December 2024	**654**	**5,369**	**1**	**6,024**
Accumulated depreciation and impairment losses:				
At 1 January 2024	518	356	1	875
Depreciation charge for the financial year	103	62	–	165
Impaiment loss for the financial year	–	1,040	–	1,040
Reclassified to disposal group	(34)	(5)	–	(39)
Translation differences	2	4	–	6
At 31 December 2024	**589**	**1,457**	**1**	**2,047**
Net carrying value				
At 31 December 2024	**65**	**3,912**	**–**	**3,977**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Property, plant and equipment (cont'd)

	Fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
2023				
Cost				
At 1 January 2023	547	496	1	1,044
Additions	5	65	–	70
Write off	–	(1)	–	(1)
Translation differences	(4)	(8)	–	(12)
At 31 December 2023	548	552	1	1,101
Accumulated depreciation and impairment losses:				
At 1 January 2023	433	294	–*	727
Depreciation charge for the financial year	95	64	–	159
Reclassification	(6)	6	–	–
Write off	–	(1)	–	(1)
Translation differences	(4)	(7)	1	(10)
At 31 December 2023	518	356	1	875
Net carrying value				
At 31 December 2023	30	196	–	226

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Property, plant and equipment (cont'd)

	Fixtures and fittings $'000	Plant and equipment $'000	Total $'000
Company			
2024			
Cost			
At 1 January 2024	192	49	241
Additions	–	4,786	4,786
At 31 December 2024	**192**	**4,835**	**5,027**
Accumulated depreciation and impairment losses:			
At 1 January 2024	191	49	240
Depreciation charge for the financial year	–	2	2
Impaiment loss for the financial year	–	1,040	1,040
At 31 December 2024	**191**	**1,091**	**1,282**
Net carrying value			
At 31 December 2024	**1**	**3,744**	**3,745**
2023			
Cost			
At 1 January 2023	192	49	241
Additions	–	–	–
At 31 December 2023	192	49	241
Accumulated depreciation and impairment losses:			
At 1 January 2023	165	43	208
Depreciation charge for the financial year	26	6	32
At 31 December 2023	191	49	240
Net carrying value			
At 31 December 2023	1	–	1

Acquisition of equipment through settlement

Included within additions to plant and equipment in the current financial year is an amount of $4,781,000 relating to 10 sets of vertical automatic waste tyre pyrolysis equipment. These were acquired as non-cash consideration for the settlement of balances due from Ms Chong Shin Mun, a loan to a former subsidiary (GPE), and amounts due from GPE (Note 16).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Property, plant and equipment (cont'd)

Impairment assessment

As at 31 December 2024, the Group performed an impairment assessment on the vertical automatic waste tyre pyrolysis equipment classified under "property, plant and equipment," due to the impairment indicators as the equipment was inactive for several years and need refurbishment before it can be operational.

The recoverable amount of the equipment was estimated using the fair value less costs of disposal (FVLCD) approach. This assessment resulted in an impairment loss of $1,040,000, which has been recognised in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2024, the carrying amount of the equipment, net of accumulated depreciation and impairment losses, was $3,741,000. This is presented under "Non-current assets" within the "Investments and Others" reportable segment of the Group (Note 33).

The fair value less costs of disposal was determined by the Group's external valuation expert using the depreciated replacement cost method, a Level 3 valuation technique under the fair value hierarchy. This method estimates the current cost of a new, similar asset, adjusted for physical deterioration, functional and economic obsolescence.

Key assumptions and estimation uncertainty

The key assumptions used in determining the fair value less costs of disposal include:

(i) *Estimated useful lives*

The useful life of the equipment is assessed to be 20 years. A longer remaining useful life increases the fair value estimate.

(ii) *Functional obsolescence and refurbishment costs*

As the equipment had been inactive prior to acquisition, estimated refurbishment costs were included to account for the necessary restoration to operational condition. Higher estimated refurbishment costs result in a lower fair value.

(iii) *Economic obsolescence*

An economic obsolescence rate ranging from 15% to 25% was applied, reflecting expected production yields and the market outlook for the equipment's output (i.e. tyre pyrolysis oil). A higher economic obsolescence rate reduces the fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Right-of-use assets

	Leasehold properties $'000	Warehouse and office $'000	Corporate apartment $'000	Office equipment $'000	Total $'000
Group					
2024					
Cost					
At 1 January 2024	221	712	88	31	1,052
Additions	–	116	–	–	116
Write off	–	(56)	–	(16)	(72)
Reclassified to disposal group	–	(108)	–	–	(108)
Lease modification	–	108	–	–	108
Translation differences	13	(1)	–	–	12
At 31 December 2024	**234**	**771**	**88**	**15**	**1,108**
Accumulated depreciation					
At 1 January 2024	48	143	33	22	246
Depreciation charge for the financial year	5	255	44	4	308
Write off	–	(56)	–	(16)	(72)
Reclassified to disposal group	–	(45)	–	–	(45)
Lease modification	–	45	–	–	45
Translation differences	4	–	–	–	4
At 31 December 2024	**57**	**342**	**77**	**10**	**486**
Net carrying value					
At 31 December 2024	**177**	**429**	**11**	**5**	**622**
2023					
Cost					
At 1 January 2023	234	543	86	32	895
Additions	–	656	91	–	747
Write off	–	(486)	(89)	–	(575)
Translation differences	(13)	(1)	–	(1)	(15)
At 31 December 2023	221	712	88	31	1,052
Accumulated depreciation					
At 1 January 2023	47	432	79	16	574
Depreciation for the financial year	5	198	43	7	253
Write off	–	(486)	(89)	–	(575)
Translation differences	(3)	(1)	–	–	(4)
At 31 December 2023	49	143	33	23	248
Net carrying value					
At 31 December 2023	172	569	55	8	804

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Right-of-use assets (cont'd)

	Warehouse and office $'000	Corporate apartment $'000	Office equipment $'000	Total $'000
Company				
2024				
Cost				
At 1 January 2024	236	88	9	333
Addition	108	–	–	108
At 31 December 2024	**344**	**88**	**9**	**441**
Accumulated depreciation				
At 1 January 2024	33	33	4	70
Depreciation charge for the financial year	85	44	1	130
Lease modification	45	–	–	45
At 31 December 2024	**163**	**77**	**5**	**245**
Net carrying value				
At 31 December 2024	**181**	**11**	**4**	**196**
2023				
Cost				
At 1 January 2023	175	86	9	270
Addition	236	91	–	327
Write off	(175)	(89)	–	(264)
At 31 December 2023	236	88	9	333
Accumulated depreciation				
At 1 January 2023	141	79	2	222
Depreciation charge for the financial year	67	43	2	112
Write off	(175)	(89)	–	(264)
At 31 December 2023	33	33	4	70
Net carrying value				
At 31 December 2023	203	55	5	263

Right-of-use assets are acquired under leasing arrangements. Details of leases are disclosed in Note 28.

As at 31 December 2024, leasehold properties of the Group with carrying amounts of $177,000 (2023: $172,000) are provided as security for the Group's borrowings (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. Intangible asset

	Group	
	2024	2023
	$'000	$'000
Goodwill arising on consolidation		
At 1 January and 31 December	**36**	36

Goodwill acquired in a business combination is allocated, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Group	
	2024	2023
	$'000	$'000
Investments		
Cahya Suria Energy Sdn. Bhd. and its subsidiaries	**36**	36

14. Investments in subsidiaries

	Company	
	2024	2023
	$'000	$'000
Unquoted equity shares, at cost		
At 1 January	**11,694**	11,696
Addition during financial year	**1,000**	1
Disposals during financial year	–	(3)
Reclassified to disposal group (Note 21)	**(10,804)**	–
	1,890	11,694
Less: Allowance for impairment	–	(9,804)
At 31 December	**1,890**	1,890

Impairment loss allowance:

As at 1 January	**9,804**	9,804
Reclassified to disposal group (Note 21)	**(9,304)**	–
Reversal during financial year	**(500)**	–
At 31 December	**–**	9,804

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Investments in subsidiaries (cont'd)

(a) Details of the subsidiaries as at the end of the financial year are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operations	Effective equity interest held by Group	
			2024	2023
			%	%
Held by the Company				
Industrial Engineering Systems Pte. Ltd. ("**IES**") (1)(9)	Designing of industrial plant engineering services systems and general wholesaler and trader	Singapore	**100**	100
P.J. Services Pte Ltd ("**PJS**") (1)	Trading in oilfield equipment and related products	Singapore	**100**	100
H2E International Pte Ltd ("**H2EI**") (1)(8)	Investment holding	Singapore	**100**	100
Held by P.J. Services Pte Ltd:				
Panah Jaya Services Sdn. Bhd. (2)(6)	Trading in oilfield parts and equipment	Malaysia	**100**	100
PT Panah Jaya Sejahtera ("**PTPJS**") (3)(6)	Trading in oilfield equipment and related products	Indonesia	**100**	100
Panah Jaya Makmur Sdn. Bhd. ("**PJM**") (4)	Trading in oilfield equipment and related products	Brunei	**60**	60
Held by H2E International Pte Ltd:				
Cahya Suria Energy Sdn. Bhd. ("**CSE**") (2)	Investment holding	Malaysia	**100**	100
Held by Cahya Suria Energy Sdn. Bhd.:				
H2 Energy Sdn. Bhd. (formerly known as HT Energy (S) Sdn. Bhd.) ("**H2E**") (5)(7)	Manufacturing of electricity distribution and control apparatus, operation of generation facilities that produce electric energy and wholesale of industrial machinery, equipment and supplies.	Malaysia	**49**	49
Held by Industrial Engineering Systems Pte. Ltd.:				
IES Engineering Systems Sdn. Bhd. ("**IESM**") (5)(9)	Designing of industrial plant engineering services systems and general wholesaler and trader	Malaysia	**100**	100

(1) Audited by PKF-CAP LLP, Singapore

(2) Audited by Khoo Teng Keat & Co., Malaysia

(3) Audited by PKF Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan, Indonesia

(4) Audited by BDO Chartered Accountants, Brunei

(5) Audited by TNT Chartered Accountants, Malaysia

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Investments in subsidiaries (cont'd)

(a) Details of the subsidiaries as at the end of the financial year are as follows: (cont'd)

(6) To facilitate the operation of this business unit, the Group, through PJS holds the shareholdings interests in the subsidiary through nominees, thus, maintaining its beneficial interests and therefore has absolute and de facto control over the subsidiary.

(7) Considered a subsidiary as the Group has sufficient rights to give it power over H2E that enables it controls over the relevant activities and policies of the entity. Please refer to Note 3.1 of the financial statements on the judgements and assumptions involved in determining the control.

(8) On 12 October 2023, the Company has incorporated a new wholly-owned subsidiary, H2EI, as an investment holding company of CSE. The Company has also transferred its entire shareholding comprising 10,000 ordinary shares in CSE to H2EI for an aggregate cash consideration of RM10,000 on 2 November 2023.

(9) On 8 November 2024, the Company has entered into a Sale and Purchase Agreement with a third party purchaser and committed to a sale plan to dispose its 100% equity interests of 2,000,000 ordinary shares in IES for a purchase consideration of $1,500,000. As at 31 December 2024, IES is yet to be disposed and the disposal is expected to complete in May 2025. Consequently, IES and its subsidiary, IESM, are presented as disposal group classified as held-for-sale (Note 21) and discontinued operations (Note 31) for presentation and disclosure purposes in these financial statements.

(b) On 2 October 2024, the Company has subscribed 1,000,000 new ordinary shares issued by IES by way of capitalising the amount due from IES amounting to $900,000 and cash consideration of $100,000.

(c) Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations:

	PJM		H2E	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Summarised Statement of Financial Position				
Current				
Assets	**2,009**	3,453	**358**	321
Liabilities	**(877)**	(2,736)	**(692)**	(466)
Total current net assets/(liabilities)	**1,132**	717	**(334)**	(145)
Non-current				
Assets	**115**	95	**63**	–
Liabilities	**–**	–	**(30)**	–
Total non-current net assets	**115**	95	**33**	–
Net assets/(liabilities)	**1,247**	812	**(301)**	(145)
Summarised Statement of Profit or Loss and Other Comprehensive Income				
Revenue	**4,885**	7,407	–	–
Profit/(Loss) before tax	**483**	993	**(142)**	(117)
Income tax expense	**(48)**	(76)	–	–
Profit/(Loss) from continuing operations	**435**	917	**(142)**	(117)
Other comprehensive income/(loss)	**–**	–	–	–
Total comprehensive income/(loss)	**435**	917	**(142)**	(117)
Total comprehensive income/(loss) allocated to NCI	**174**	367	**(73)**	(60)
Summarised Cash Flows				
Net cash (used in)/generated from operating activities	**(898)**	924	**76**	(15)
Net cash used in investing activities	**(126)**	–	**(63)**	–
Net cash used in financing activities	**–**	–	**(13)**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Investments in subsidiaries (cont'd)

(d) Impairment review of investment in subsidiaries

As at 31 December 2024, management performed impairment review on the investments in its subsidiaries. There was no impairment indicator noted on the Company's investment in PJS as the subsidiary is continue making profit and was in net assets position as at 31 December 2024. A reversal on impairment loss on investment in IES of $500,000 was recognised based on the contracted selling price of the subsidiary as disclosed in Note 14 (a)(9). The Management assessed that there is no impairment loss on investment in H2EI as the cost of investment is not material.

As at 31 December 2023, management performed impairment review on the Company's investments in its subsidiaries. There was no impairment indicator noted on the investments in PJS as the subsidiary is continue making profit and was in net assets position as at 31 December 2023. Despite the consistent loss making of IES in current and prior financial years, there was no further impairment loss recognised on this investment as the cost of investment has been fully impaired since prior financial years. Management assessed that there is no impairment loss on investment in H2EI as the subsidiary was newly incorporated during the financial year.

15. Financial assets at fair value through profit or loss

	Group		**Company**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Unquoted securities	–*	–*	–*	–*

* Amount less than $1,000

The financial assets at fair value through profit or loss comprised of investments in unquoted equity securities of Cahya Suria Services Sdn. Bhd. ("**CSS**") and a third-party company.

On 1 February 2023, the Company has decreased its effective shareholding interest in its indirect wholly owned subsidiary, CSS from 100% to 10% following a disposal by CSE of its 9,000 ordinary shares representing 90% of the shareholdings of CSS to a third-party purchaser for a consideration of RM 5,000. Since then, CSS ceased to be subsidiary of the Group and the remaining investment in CSS are classified as financial asset at fair value through profit or loss in the Statement of Financial Position.

On 7 November 2024, CSE has fully disposed of its remaining equity interest in CSS of 1,000 ordinary shares, which represents 10% of the shareholdings of CSS to the majority shareholder of CSS for a cash consideration of RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables - third parties	**1,217**	2,493	–	–
Less: Allowance for impairment [Note 34(b)]	–	(25)	–	–
	1,217	2,468	–	–
Other receivables:				
- A former subsidiary (GPE)	–	300	–	300
- Other receivables	**33**	7	–	–
	33	307	–	300
Loans to:				
- A former subsidiary (GPE)	–	3,058	–	3,058
- A former corporate shareholder of a subsidiary	–	4	–	–
Less: Allowance for impairment [Note 34(b)]	–	(777)	–	(773)
	–	2,285	–	2,285
Advances to:				
- Subsidiaries	–	–	**613**	586
	–	**–**	**613**	586
Consideration due from disposal of a subsidiary (GPE) from Ms Chong Shin Mun	–	1,267	–	1,267
Less: Allowance for impairment [Note 34(b)]	–	(1,267)	–	(1,267)
	–	–	–	–
Other recoverable	**150**	150	**150**	150
Less: Allowance for impairment [Note 34(b)]	**(150)**	(150)	**(150)**	(150)
	–	–	**–**	–
Lease receivables [Note 28(b)]	–	–	**106**	136
Security deposits	**113**	187	**44**	34
GST receivables	**32**	7	–	3
Tax recoverables	**170**	142	**24**	–
Advance billings from suppliers	**900**	1,709	–	–
Prepayments	**53**	70	**10**	19
	1,268	2,115	**184**	192
	2,518	7,175	**797**	3,363

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Trade and other receivables (cont'd)

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Non-current				
Lease receivables [Note 28(b)]	–	–	**64**	229
Total	**2,518**	7,175	**861**	3,592

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables due from a former subsidiary (GPE)

The amount due from a former subsidiary, GPE Power Systems (M) Sdn Bhd ("**GPE**") relates to management fee, is unsecured, interest-free and repayable on demand. On 14 August 2024, the full and final settlement of the amount due from a former subsidiary GPE has been agreed by transferring a total of 10 sets of vertical automatic waste tyre pyrolysis equipment to the Company.

Loan to a former subsidiary (GPE)

As at 31 December 2023, the loan to a former subsidiary GPE of $3,058,000 is unsecured and bears an interest rate of 8% per annum.

During the prior financial year ended 31 December 2023, $773,000 of allowance of impairment loss was recognised in the Group's and the Company's profit or loss for the estimated amount with uncertainty over its recoverability, after considering the value of certain assets proposed to be transferred in a potential settlement based on a valuation report dated 20 March 2024.

On 14 August 2024, the full and final settlement of the loan to a former subsidiary, GPE has been agreed by transferring a total of 10 sets of vertical automatic waste tyre pyrolysis equipment to the Company.

Loan to a former corporate shareholder of a subsidiary

Loan to a former corporate shareholder of a subsidiary is unsecured, interest-free and repayable on demand.

Advances to subsidiaries

Advances to subsidiaries are unsecured, interest-free and repayable on demand.

*Consideration due from disposal of a subsidiary (GPE) from Ms Chong Shin Mun (the "**Purchaser**")*

In 2018, the Group disposed its entire equity interest in GPE for a cash consideration of $2,000,000 to a director of GPE, Ms Chong Shin Mun. As at 31 December 2023, the gross receivables of $1,267,000 from Ms Chong comprised the extension fees and Fourth Tranche amounting to $235,000 and $810,000 respectively with accrued interest of $222,000. The outstanding principal amount due from Ms. Chong Shin Mun of $810,000 as at 31 December 2023 is subject to interest rate of 6% per annum.

Balance consideration (including interest and other costs, charges and expenses incurred by the Company) due from the disposal of the subsidiary is secured against:

(a) a charge over 21,875 ordinary shares, fully paid, of Seri Beskaya Sdn. Bhd. ("**SBSB**"), a private limited company representing 14.58% of its entire share capital, held by a related party of the Purchaser, Tan Yock Chew; and

(b) a personal guarantee by Tan Yock Chew in favour of the Company.

16. Trade and other receivables (cont'd)

*Consideration due from disposal of a subsidiary (GPE) from Ms Chong Shin Mun (the "**Purchaser**") (cont'd)*

In 2019,

- The Purchaser defaulted on the Fourth Tranche consideration amount of $1,000,000;
- Certain rights of control and sale of 697,330,000 Company's shares owned by the Purchaser ("**Controlled Shares**") were received towards satisfying the balance of Third Tranche consideration and interest; and
- The Group received approximately $420,000 from the sale of 420,000,000 Controlled Shares as partial settlement of the balance outstanding.

In 2020,

- The Group received 50,000,000 further controlled shares ("**Further Controlled Shares**") from the Purchaser to satisfy the outstanding amount under the Third Tranche consideration as at 31 December 2019;
- The Group received approximately $250,000 from the sale of 250,000,000 Controlled and Further Controlled Shares;
- On 2 March 2020, a Third Supplemental Letter agreement was entered between the Company and the Purchaser where the Purchaser shall:
  - (i) pay a sum of $50,000 as part payment of the Fourth Tranche Consideration;
  - (ii) continue to pay interest on the Fourth Tranche Consideration;
  - (iii) pay further sum of $5,000 as an extension fee monthly in addition to (i) and (ii) above, commencing from the month of February 2020;
- On 30 April 2020, the Company and the Purchaser entered into a letter agreement ("**Settlement Agreement**") with the Purchaser and Tan Yock Chew (the "**Guarantor**") with the following key terms:
  - (i) in the event of default in repayment of the Fourth Tranche Consideration, the Company shall be entitled the rights to enforce the share charge and to have the 21,875 ordinary shares of SBSB;
  - (ii) the Company shall be granted with a put option to require the Guarantor and/or the Purchaser to purchase back SBSB shares from the Company;
  - (iii) the Purchaser shall procure SBSB to enter into a deed of assignment of proceeds whereby SBSB shall assign unto the Company 50% of SBSB's rights, title, interest, benefit, advantages and remedies which SBSB may have in under or arising out of the sale of all, or any, of the production lines currently housed in a factory lot including all the sale proceeds thereof and other monies payable or to become payable thereunder as satisfaction of the outstanding Fourth Tranche Consideration, accrued interest, extension fees and all other costs; and
  - (iv) the Purchaser and Guarantor shall continue to be liable to the Company for the shortfall amount after (i) to (iii) above under the Settlement Agreement, which shall be immediately payable on demand.
- On 23 June 2020, the Company and the Purchaser entered into further definitive agreements under which the Purchaser granted certain rights of control and sale to the Company in respect of an additional 62,670,000 Further Controlled Shares held by the Purchaser in the Company.
- $933,000 of allowance of impairment loss was recognised in the Group's and the Company's profit or loss for the estimated amount with uncertainty over its recoverability, after considering the cash flows that are expected to be recovered through the potential sale of the remaining Controlled Shares and Further Controlled Shares of 140,000,000 shares valued at $140,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Trade and other receivables (cont'd)

*Consideration due from disposal of a subsidiary (GPE) from Ms Chong Shin Mun (the "**Purchaser**") (cont'd)*

In 2021,

- On 20 October 2021, the Purchaser had completed the transfer of 37,330,000 Controlled Shares under the 27 June 2019 Share Charge, 50,000,000 Further Controlled Shares under the 12 December 2019 Share Charge, and 12,670,000 Further Controlled Shares under the 9 March 2020 Share Charge to an independent third-party investor;

- The Group had received a total of $100,000 from the said sale of Controlled Shares and Further Controlled Shares, and the same has been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser.

In 2022,

- On 26 July 2022, the Purchaser has completed the transfer of the remaining 40,000,000 Controlled Shares under the 27 June 2019 Share Charge to an independent third-party investor for a consideration of $40,000.

In 2023,

- A further $334,000 of allowance of impairment loss was recognised in the Group's and the Company's profit or loss for the estimated amount with uncertainty over its recoverability, after considering the value of certain assets proposed to be transferred in a potential settlement based on a valuation report dated 20 March 2024.

In 2024,

- On 14 August 2024, the full and final settlement of the consideration due from the Purchaser has been agreed by transferring a total of 10 sets of vertical automatic waste tyre pyrolysis equipment to the Company.

- On 2 October 2024, the Guarantor has completed the transfer of the legal and beneficial ownership of the equipment to the Company in accordance with the Final Settlement Letter. The equipment is included under property, plant and equipment (Note 11).

17. Deferred tax (assets)/liabilities

	Group	
	2024	2023
	$'000	$'000
At beginning of the financial year	**(25)**	17
Charge to profit or loss (Note 9)	**(13)**	(43)
Translation difference	–	1
At end of the financial year	**(38)**	(25)
Representing:		
Deferred tax assets (Non-current)	**(41)**	(25)
Deferred tax liabilities (Non-current)	**3**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17. Deferred tax (assets)/liabilities (cont'd)

Deferred tax (assets)/liabilities provided for as at the end of the financial year are related to the following:

	Group	
	2024	2023
	$'000	$'000
Accelerated tax depreciation	**4**	(1)
Other temporary differences	**(42)**	(24)
	(38)	(25)

Deferred tax liabilities of $4,000 (2023: $3,000) have not been recognised for withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted to the holding company as the Group has determined that the undistributed earnings of its subsidiary will not be distributed in the foreseeable future. These unremitted earnings are permanently re-invested and amounted to $28,000 (2023: $244,000) at the end of the financial year.

18. Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**1,698**	3,013	**85**	66
Deposit placed in cash margin account	**260**	–	**–**	–
	1,958	3,013	**85**	66

19. Fixed deposits

The fixed deposits are pledged to banks as securities for banking facilities such as importing line comprising letter of credit, trust receipts and banker's guarantee.

The fixed deposits have maturity periods ranging from 1 to 15 months (2023: 1 to 26 months) from the end of the financial year with interest rates ranging from 2.30% to 2.55% (2023: 1.38% to 2.95%) per annum.

20. Inventories

	Group	
	2024	2023
	$'000	$'000
Trading goods	**278**	331
Goods in transit	**830**	52
	1,108	383

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $6,007,000 (2023: $9,875,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21. Disposal group classified as held for sale

On 8 November 2024, the Company has entered into a Sale and Purchase Agreement with a third-party purchaser and committed to a sale plan to dispose its 100% equity interests of 2,000,000 ordinary shares in IES for a consideration of $1.50 million. As at 31 December 2024, the transaction is yet to complete and the disposal is expected to complete in May 2025. As a result, the assets and liabilities related to IES and its subsidiary, IESM, the (collectively, "**IES Group**") were presented as disposal group classified as held-for-sale in the statements of financial position as at 31 December 2024 and the entire results from IES Group was presented separately on the consolidated statement of profit or loss and other comprehensive income as "Discontinued Operations" (Note 31) for the financial year ended 31 December 2024.

(a) Details of the assets of disposal group classified as held-for-sale were as follows:

	Group 2024 $'000
Cash and cash equivalent	**7**

(b) Details of the liabilities directly associated with disposal group classified as held-for-sale were as follows:

	Group 2024 $'000
Trade and other payables	**48**

(c) Details of assets in non-current asset classified as held-for-sale (under current asset) was as follows:

	Company 2024 $'000
Investment in subsidiaries (Note 14)	**1,500**

22. Trade and other payables

	Group		**Company**	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**1,569**	2,698	**–**	–
Amounts due to subsidiaries	**–**	–	**3,479**	2,786
Amounts due to directors of the Company	**1,430**	2,196	**1,430**	2,196
Amounts due to directors of subsidiaries	**99**	600	**–**	–
Other payables	**1,324**	1,126	**1,258**	1,063
Deposit from purchaser	**500**	–	**500**	–
Accrued operating expenses	**513**	467	**160**	184
Provision for unutilised leave	**38**	40	**22**	22
GST payables	**–**	13	**–**	–
Withholding tax payables	**73**	500	**–**	121
Total	**5,546**	7,640	**6,849**	6,372

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

22. Trade and other payables (cont'd)

Trade and other payables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due to subsidiaries are non-trade in nature, unsecured, repayable on demand and interest-free.

Amounts due to directors of the Company and of the subsidiaries are non-trade in nature, unsecured, repayable on demand and interest-free.

Included in amount due to directors of the Company is an amount of $681,000 (2023: $562,000) being outstanding directors' fees for the financial years ended 31 December 2020, 2021, 2022, 2023 and 2024 (2023: 31 December 2019, 2020, 2021, 2022 and 2023).

23. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Bank loans				
- Term Loan - 5.1% above bank base lending rate (2023: 5.1% above bank base lending rate) per annum ("**p.a**")	**8**	7	–	–
- Temporary bridging loan - 2.5% p.a (2023: 2.5% p.a)	**197**	337	–	–
	205	344	–	–
Loan from a third party I – 1.8% per month	**563**	–	**563**	–
Loan from a third party II	**1,000**	1,450	**1,000**	1,450
Lease liabilities	**264**	260	**236**	259
	2,032	2,054	**1,799**	1,709
Non-current				
Bank loans				
- Term Loan - 5.1% above bank base lending rate (2023: 5.1% above bank base lending rate) p.a	**22**	28	–	–
- Temporary bridging loan - 2.5% p.a (2023: 2.5% p.a)	–	243	–	–
	22	271	–	–
Lease liabilities	**168**	376	**137**	373
	190	647	**137**	373
Total borrowings	**2,222**	2,701	**1,936**	2,082

Bank loans

The bank loans of the Group are secured by:

(i) legal mortgage over the Group's fixed deposits (Note 19);
(ii) legal mortgage over the Group's leasehold properties under the right-of-use assets (Note 12);
(iii) corporate guarantee by the Company; and
(iv) personal guarantee from the directors of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. Borrowings (cont'd)

Loan from a third party I

Loan from a third party is unsecured, carries interest rate of 1.8% per month and repayable in 3 months effective from 2 May 2024.

(i) First extension of six (6) months on 1 August 2024 with same repayment term; and
(ii) Second extension of three (3) months on 1 February 2025 which the interest rate shall be computed at 1.8% per month, net of withholding tax, based on the aggregate sum of the loan amount and its accrued interest up to the first extension.

Loan from a third party II

The Company had drawn down a total of four (4) tranches of $500,000 on 31 March 2023 ("**First Tranche**"), 4 May 2023 ("**Second Tranche**"), 29 September 2023 ("**Third Tranche**") and 30 May 2024 ("**Fourth Tranche**") from the loan agreement signed on 31 March 2023.

1. The draw down of First Tranche and Second Tranche in the total amount of $1,000,000 is unsecured and carries an interest rate of 1.5% per month. The principal amount drawn down under the First Tranche and the Second Tranche are repayable within twelve (12) months from the respective drawdown dates, and the loan interest thereon is repayable monthly. The First Tranche and Second Tranche was fully repaid during the current financial year 2024.

2. On 29 September 2023, the draw down of Third Tranche of $500,000 is similarly unsecured and the repayment term is monthly repayment of $10,000 for the first two (2) months and monthly repayment of loan principal and interest of $58,333 for the remaining ten (10) months. The Third Tranche was fully repaid during the current financial year 2024.

3. The draw down of Fourth Tranche of $500,000 is similarly unsecured and carried an interest rate of 2% per month. The repayment of the Fourth Tranche has been extended from 30 March 2025 to 30 March 2026 with a monthly repayment of loan principal and interest of $54,167.

The Company also drawn down one (1) tranche of $500,000 ("**Fifth Tranche**") on 2 August 2024 from the loan agreement signed on 31 July 2024. The Fifth Tranche is unsecured and carried an interest rate of 2.5% per month. It is repayable within six (6) months from the drawdown dates. The Fifth Tranche was fully repaid subsequent to the end of the current financial year.

Determination of fair value of borrowings

The carrying amount of borrowings approximated its fair value at the end of the respective financial year.

Based on discounted cash flows using market lending rate for similar borrowings which the management expected would be available to the Group at the end of the respective financial year, the fair value of the non-current borrowings (excluding lease liabilities) at the end of the respective financial year approximated its carrying value as there were no significant changes in the interest rate available to the Group at the end of the respective financial year. This fair value measurement was categorised within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flow arising from financing activities (cont'd):

	Bank loans $'000	Loans from third parties $'000	Lease liabilities $'000	Total $'000
At 1 January 2024	615	1,450	636	2,701
Additions	–	–	69	69
Reclassification to disposal group	(134)	–	–	(134)
Changes from financing cash flows:				
- Proceeds	–	1,500	–	1,500
- Repayments	(16)	(1,450)	(273)	(1,740)
- Interest paid	(256)	(262)	(25)	(542)
Non-cash changes:				
- Interest expense	16	325	25	366
- Effect of changes in foreign exchange rates	2	–	–	2
At 31 December 2024	227	1,563	432	2,222

	Bank loans $'000	Loans from third parties $'000	Lease liabilities $'000	Total $'000
At 1 January 2023	939	394	132	1,465
Additions	–	–	747	747
Changes from financing cash flows:				
- Proceeds	–	1,500	–	1,500
- Repayments	(331)	(269)	(241)	(841)
- Interest paid	(20)	(350)	(16)	(386)
Non-cash changes:				
- Interest expense	30	170	16	216
- Effect of changes in foreign exchange rates	(3)	5	(2)	–
At 31 December 2023	615	1,450	636	2,701

24. Provision for employee benefits

	Group	
	2024 **$'000**	2023 $'000
Provision for employee benefits	**156**	108

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. Provision for employee benefits (cont'd)

Provision for employee benefits relates to the Group's estimated liabilities for employee benefits under the Group's Indonesian operating entity. The principal actuarial assumptions used to estimate liabilities for employee benefits under defined benefits plans are based on independent actuarial report of PT Kompujasa Aktuaria Indonesia as follow:

	2024	2023
Discount rate per annum	**7.05%**	7.21%
Expected return on plan assets per annum	**Not Applicable**	Not Applicable
Salary increment rate per annum	**8.00%**	8.00%
Mortality rate	**TMI-2019**	TMI-2019
Disable rate	**10.00% from TMI-2019**	10.00% from TMI-2019
Actuarial method	**Projected Unit Credit with IFRIC-AD**	Projected Unit Credit with IFRIC-AD
Normal retirement age	**55 years**	55 years

The sensitivity analysis on the impact of changes in main assumptions on the provision for employee benefits for the years ended 31 December 2024 and 2023 are as follows:

	Increase in assumption by 1%	**Decrease in assumption by 1%**
	$'000	**$'000**
31 December 2024		
Discount rate	**(10)**	**11**
Salary growth rate	**12**	**(11)**
31 December 2023		
Discount rate	(8)	9
Salary growth rate	9	(8)

The movements in the provision for employee benefits are as follows:

	Group	
	2024	2023
	$'000	$'000
At 1 January	**108**	71
Current service costs	**16**	12
Interest expense (Note 7)	**10**	5
Actuarial (gain)/loss	**(4)**	22
Past service cost – vested	**28**	–
Translation differences	**(2)**	(2)
At 31 December	**156**	108

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For the financial year ended 31 December 2024

25. Contract liabilities

Contract liabilities relate to the Group's obligation to deliver its goods and services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts. Contract liabilities have decreased mainly due to the derecognition of sales orders of $1,551,000 in deferred income from the oil and gas equipment segment into revenue during the financial year ended 31 December 2024.

The following table provides information about contract balances from contracts with customers:

	Group		
	31.12.2024	31.12.2023	01.01.2023
	$'000	$'000	$'000
Trade receivables (Note 16)	**1,217**	2,468	3,170
Contract liabilities	**194**	2,008	6,755

Significant changes in the contract liabilities balances during the financial year are as follows:

	Group	
	2024	2023
	$'000	$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**2,008**	6,755
Revenue recognised during the financial year	**(2,008)**	(6,755)
Increases due to advances received and deferred income, excluding amounts recognised as revenue during the financial year	**194**	2,008
	194	2,008

26. Share capital

	Group and Company			
	2024		2023	
	Number of shares	**Issued share capital**	Number of shares	Issued share capital
	'000	**$'000**	'000	$'000
Issued and fully paid				
At beginning of the financial year	**16,974,767**	**68,759**	16,974,767	68,759
Issuance of ordinary shares	**2,285,714**	**2,400**	–	–
At end of the financial year	**19,260,481**	**71,159**	16,974,767	68,759
Less:				
Share issue expense				
At beginning and end of the financial year	**–**	**(658)**	–	(658)
Net	**19,260,481**	**70,501**	16,974,767	68,101

The Company has only one class of ordinary shares

The equity holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares of the Company carry one vote per share without restriction. The ordinary shares have no par value.

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For the financial year ended 31 December 2024

26. Share capital (cont'd)

During the current financial year 2024, the Company has issued 2,285,714,286 new ordinary share at the conversion price of $0.00105 by converting cash advances from the directors and shareholders amounting to an aggregate sum of $2,400,000.

There are no other ordinary shares of the Company that may be issued on conversion of any outstanding convertibles as at the end of the financial year except as follows:

*Annica Employee Share Option Scheme ("**ESOS Option**")*

The aggregate number of ordinary shares of the Company that may be issued under the Schemes or any other share option or share scheme of the Company then in force shall not exceed 15% of the total number of issued ordinary shares of the Company from time to time. On 27 December 2018, the Company granted 42,500,000 ESOS Option under Annica Employee Share Option Scheme. The ESOS Option granted has a life span of ten years (28 December 2019 to 27 December 2028). The Annica Performance Share Plan had fully vested as of the date of their issue on 27 December 2018 whereas the ESOS Option had fully vested on 28 December 2019.

Other than the lapsed of 12,500,000 ESOS Options in 2021, none of the ESOS Option was exercised as at the end of the financial year.

The fair value of the Company's ESOS Options as at the date of grant is computed using the Black-Scholes model, taking into account the terms and conditions upon which the ESOS Options were granted.

The following table illustrates the number and weighted average exercise prices (WAEP) of share options during the year (excluding Annica Performance Share Plan):

	2024 Number	**2024 WAEP**	2023 Number	2023 WAEP
Outstanding at 1 January and 31 December	**30,000,000**	**$0.001**	30,000,000	$0.001
Exercisable at 31 December	**30,000,000**	**$0.001**	30,000,000	$0.001

The inputs to the model used are shown below:

Date of grant	**27 December 2018**
Share price	$0.001
Exercise price	$0.001
Expected volatility	156.12%
Expected option life	5
Risk-free interest rate	2.04%

The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected ESOS Option life used is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. No other features of the option were incorporated into the measurement of fair value.

27. Other reserves

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Composition				
Capital reserve	**82**	82	**89**	89
Foreign currency translation reserve	**(721)**	(854)	**–**	–
	(639)	(772)	**89**	89
Movements				
Capital reserve				
At beginning of the financial year	**82**	(1,337)	**89**	89
Disposal of subsidiary	**–**	3	**–**	–
Bonus issue shares in a subsidiary	**–**	1,416	**–**	–
At end of the financial year	**82**	82	**89**	89
Foreign currency translation reserve				
At beginning of the financial year	**(854)**	(704)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries	**133**	(149)	**–**	–
Reclassification of cumulative foreign currency translation reserve to profit or loss upon disposal of subsidiary	**–**	(1)	**–**	–
At end of the financial year	**(721)**	(854)	**–**	–

Capital reserve comprises an excess of the cost of the acquisition over the proportionate amount of the carrying amount of (i) the net assets of the acquired non-controlling 22% interest in IES amounted to $117,000 during the financial year ended 31 December 2016; (ii) the net assets of the acquired non-controlling 40% interest in PJS amounted to $1,389,000 during the financial year ended 31 December 2011; (iii) the net liabilities of the acquired non-controlling 49% interest in CSS amounted to $3,000 during the financial year ended 31 December 2021; (iv) the net liabilities of the disposal non-controlling 90% interest in CSS amounted to $3,000 during the financial year ended 31 December 2023.

Capital reserve also comprises share option application monies of $50,000; cumulative capitalisation of accumulated profits of a subsidiary for the issue of bonus shares of $1,499,000 (which $1,416,000 pertains to bonus shares issued during the financial year ended 31 December 2023); and ESOS Option reserve of $39,000.

Exchange differences relating to the translation of the financial statements of foreign subsidiaries from functional currencies into Singapore dollar are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserve.

Other reserves are non-distributable.

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For the financial year ended 31 December 2024

28. Leases

a) The Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

i) The Group leases warehouse and offices, corporate apartment and office equipment from non-related parties. The leases have an average tenure of between 2 - 5 years.
ii) The Group's leasehold properties included in property, plant and equipment were reclassified to right-of-use assets as at 1 January 2019 upon adoption of SFRS(I) 16. The lease is for 99 years from 1995.
iii) In addition, the Group leases offices with contractual terms of 12 months. The lease is short-term. The Group has elected not to recognised right-of-use asset and lease liability for the lease.

The maturity analysis of the lease liabilities is disclosed in Note 34(c).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in profit or loss

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Depreciation charge for the financial year				
Leasehold properties	**5**	5	**–**	–
Warehouse and office	**255**	198	**85**	67
Corporate apartment	**44**	43	**44**	43
Office equipment	**4**	7	**1**	2
	308	253	**130**	112
Lease expense not included in the measurement of lease liabilities				
Lease expense - short-term leases (Note 8)	**240**	154	**6**	6
Interest expense on lease liabilities (Note 7)	**25**	16	**23**	15

Total cash flows for the Group's and the Company's leases amounted to $205,000 (2023: $411,000) and $259,000 (2023: $247,000).

b) The Company as a lessor

Nature of the Company's leasing activities - Company as a lessor

The Company leases warehouse and office space from a non-related party and sub-leases the warehouse and office space to its subsidiaries. The leases have a tenure of 3 years and there are no extension or escalation clauses in the lease agreement. The Company's sub-leases of warehouse and office space are classified as finance leases as the terms of the sub-leases transfer substantially all the risks and rewards of ownership to the subsidiaries.

Right-of-use asset relating to the head lease with sub-leases classified as finance lease is derecognised. The net receivables relating to sub-leases are recognised under "Lease receivables" and is presented within "Trade and other receivables" (Note 16) in the statements of financial position. Finance income on lease receivables during the financial year is $3,000 (2023: $8,000).

28. Leases (cont'd)

b) The Company as a lessor (cont'd)

Nature of the Company's leasing activities - Company as a lessor (cont'd)

Information about the lease receivables is presented below:

	Company	
	2024	2023
	$'000	$'000
Within one year	**111**	149
After one year but not more than 5 years	**65**	238
Total undiscounted lease receivables	**176**	387
Less: unearned finance income	**(6)**	(22)
Net lease receivables	**170**	365
Non-current	**64**	229
Current	**106**	136
Total lease receivables included in trade and other receivables (Note 16)	**170**	365

29. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Guarantees

The Company has provided corporate guarantees of $197,000 (2023: $580,000) to a bank for bank loans of $197,000 (2023: $580,000) drawdown by its subsidiaries as at 31 December 2024.

The financial effects of SFRS(I) 9 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

30. Significant related party transactions

Some of the Group's and the Company's transactions and arrangements are between entities of the Group and with related parties, the effects of which, on basis determined between the parties, are reflected in these consolidated financial statements. The balances with these parties are unsecured, interest-free and repayable on demand unless stated otherwise.

In addition to the information disclosed elsewhere in these financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2024	2023
	$'000	$'000
With a director of the Company		
Advances from	**900**	350
Repayment to	**–**	(45)
Debt conversion	**(1,200)**	–
With related parties of the Company		
Debt conversion	**(1,200)**	–

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31. Discontinued operations

On 8 November 2024, the Company has entered into a Sale and Purchase Agreement with a third-party purchaser and committed to a sale plan to dispose its 100% equity interests in IES. As at 31 December 2024, the transaction is yet to complete and the disposal is expected to complete in May 2025.

In prior financial year 2023, the Group has disposed 90% of its shareholding interest in its wholly owned subsidiary, CSS to the third-party purchaser.

The entire financial results and cash flows from IES and CSS were presented separately on the Group's consolidated statement of comprehensive income and consolidated statement of cash flows as "discontinued operations" for the financial year ended 31 December 2024 and 31 December 2023, respectively, following the proposed disposal of IES and the disposal of CSS.

The segment information of IES and CSS were previously presented under "Engineering Services" and "Renewable" reportable segment of the Group (Note 33).

(a) The results of the discontinued operations are as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Revenue	**1,253**	209
Cost of sales	**(1,141)**	(132)
Gross profit	**112**	77
Other income	**17**	8
Other expenses	**(337)**	(299)
Loss before tax from discontinued operations	**(208)**	(214)
Tax expense	**–**	–
Loss after tax from discontinued operations	**(208)**	(214)
Gain on disposal of the discontinued operations	**–**	–*
Loss from discontinued operations, net of tax	**(208)**	(214)

* Amount less than $1,000

31. Discontinued operations (cont'd)

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
		(Restated)
	2024	2023
	$'000	$'000
Operating cash inflows/(outflows)	**68**	(100)
Investing cash inflows	**83**	120
Financing cash outflows	**(163)**	(18)
Total cash (outflows)/inflows	**(12)**	2

The carrying amounts of the assets and liabilities of IES as at 31 December 2024 are disclosed at Note 21. The carrying amounts of the assets and liabilities of CSS at the date of disposal are disclosed at Note 32.

32. Disposal of subsidiary

As disclosed in Note 31 to the financial statements in prior financial year 2023, the Group has disposed 90% of its shareholding interests in CSS to a third-party purchaser for a consideration of RM 5,000. Since then, CSS ceased to be subsidiary of the Group.

Effect of disposal of CSS on the Group's consolidated statement of financial position are as follow:

	2023
	$'000
Current assets	
Cash and cash equivalents	**–***
Trade and other receivables	**11**
	11
Current liabilities	
Trade and other payables	**12**
Capital reserve	**3**
Net assets derecognised	**2**
Consideration received	**2**
Net assets derecognised	**(2)**
Gain on disposal of a subsidiary (Note 31)	**–***
Net cash inflow arising on disposal:	
Cash consideration received	**2**
Cash and bank balances disposed of	**–***
	2

* Amount less than $1,000

The impact of disposal of CSS on the Group's results and cash flows are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

33. Segment information

The Group's chief operating decision-maker ("**CODM**") comprises the Chief Executive Officer, the Group Financial Controller, and the heads of each business within each reportable segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources and assess performance.

The CODM considers the business from business segment perspective. From a business segment perspective, management separately considers the engineering services (presented within discontinued operations in these financial statements), oil and gas equipment and renewable activities within the group.

The Group is organised into business units based on its products and services for management purposes. The reportable segments are oil and gas equipment, renewable and investments and others. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

As disclosed in Note 3.1, the Group has streamlined oil and gas equipment and engineering services segments into one segment, Integrated Engineering Solutions Segment.

The segment information provided to management for the reportable segments are as follows:

	Integrated Engineering Solutions Segment $'000	Renewable $'000	Investments and others $'000	Elimination $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
For the financial year ended 31 December 2024							
Revenue							
External sales	12,627	–	–	–	12,627	1,253	13,880
Results							
Segment results	1,503	(177)	(53)	(583)	690	(203)	487
Interest income	24	–	135	(13)	146	–	146
Interest expense	(37)	(1)	(348)	10	(376)	(5)	(381)
Profit/(Loss) before tax	1,490	(178)	(266)	(586)	460	(208)	252
Tax expense	(178)	–	–	–	(178)	–	(178)
Profit/(Loss) for the financial year	1,312	(178)	(266)	(586)	282	(208)	74
Other information							
Capital expenditure	218	68	4,893	–	5,179	–	5,179
Depreciation of property, plant and equipment	162	1	2	–	165	–	165
Depreciation of right of use asset	143	5	130		278	30	308
Bad debt recovered	31	–	2,040	–	2,071	–	2,071
Impairment loss on property, plant and equipment	–	–	1,040	–	1,040	–	1,040
Government grant	–	–	17	–	17	–	17
Assets							
Non-current assets	597	398	3,940	(300)	4,635	–	4,635
Other segment assets	8,833	369	4,338	(7,847)	5,693	82	5,775
Consolidated total assets	9,430	767	8,278	(8,147)	10,328	82	10,410
Liabilities							
Segment liabilities	2,374	933	6,849	(4,285)	5,871	73	5,944
Borrowings	411	46	1,936	(171)	2,222	–	2,222
Tax payable	126	–	–	–	126	–	126
Deferred tax liabilities	3	–	–	–	3	–	3
Consolidated total liabilities	2,914	979	8,785	(4,456)	8,222	73	8,295

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33. Segment information (cont'd)

	Integrated Engineering Solutions Segment $'000	Renewable $'000	Investments and others $'000	Elimination $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
For the financial year ended 31 December 2023 (Restated)							
Revenue							
External sales	15,838	–	–	–	15,838	209	16,047
Results							
Segment results	2,229	(149)	(2,626)	(72)	(618)	(206)	(824)
Interest income	12	–	204	(8)	208	–	208
Interest expense	(42)	–	(179)	8	(213)	(8)	(221)
Profit/(Loss) before tax	2,199	(149)	(2,601)	(72)	(623)	(214)	(837)
Tax expense	(91)	–	–	–	(91)	–	(91)
Profit/(Loss) for the financial year	2,108	(149)	(2,601)	(72)	(714)	(214)	(928)
Other information							
Capital expenditure	383	–	326	–	709	108	817
Depreciation of property, plant and equipment	127	–	32	–	159	–	159
Depreciation of right of use asset	127	–	111	–	238	15	253
Impairment loss on trade and other receivables	–	–	1,107	–	1,107	–	1,107
Government grant	–	–	10	–	10	–	10
Assets							
Non-current assets	673	337	263	(300)	973	93	1,066
Other segment assets	10,661	322	5,550	(6,131)	10,402	628	11,030
Consolidated total assets	11,334	659	5,813	(6,431)	11,375	721	12,096
Liabilities							
Segment liabilities	5,390	674	6,375	(3,907)	8,532	1,224	9,756
Borrowings	757	–	2,082	(366)	2,473	228	2,701
Tax payable	131	–	–	–	131	–	131
Deferred tax liabilities	–	–	–	–	–	–	–
Consolidated total liabilities	6,278	674	8,457	(4,273)	11,136	1,452	12,588

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For the financial year ended 31 December 2024

33. Segment information (cont'd)

Geographical information

The following table shows the revenue, the carrying amounts of segment total assets and non-current assets analysed by geographical information:

	Revenue		Segment total assets		Non-current assets	
		(Restated)				
	2024	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Singapore	**1,661**	1,907	**5,161**	5,857	**4,119**	634
Malaysia	**4,618**	5,250	**1,975**	2,688	**302**	232
Indonesia	**2,031**	1,274	**1,699**	866	**99**	105
Brunei	**4,317**	7,407	**1,575**	2,685	**115**	95
	12,627	15,838	**10,410**	12,096	**4,635**	1,066

Information about major customer

Revenue of approximately $5,109,000 (2023: $5,433,000) are derived from 2 (2023: 1) external customers who individually contributed 10% or more of the Group's revenue reported under continuing operations. The details are as follows:

	Attributable segments	**2024** **$'000**	2023 $'000
Customer 1	Oil and gas equipment	**3,379**	5,433
Customer 2	Oil and gas equipment	**1,730**	–
		5,109	5,433

34. Financial risk management

Categories of financial instruments

Financial instruments at their carrying amounts at the end of the financial year are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets at fair value through profit or loss	**–***	–*	**–***	–*
Financial assets at amortised costs	**3,464**	8,694	**912**	3,636
	3,464	8,694	**912**	3,636
Financial liabilities, at amortised cost	**7,657**	9,788	**8,763**	8,311

* Amount less than $1,000

34. Financial risk management (cont'd)

Financial risk factors

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Group.

There has been no change to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. Market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk

Foreign exchange risk

The Group operates in Asia with dominant operations in Singapore, Malaysia and Indonesia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("**foreign currencies**") such as the United States Dollar ("**USD**"), European Dollar ("**EURO"**), British Pound Sterling ("**GBP**") and Singapore Dollar ("**SGD**").

Currency risk arises when transactions are denominated in foreign currencies. To manage the currency risk, individual Group entities manage as far as possible by natural hedges of matching assets and liabilities.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. The Group's currency exposure based on the information provided to key management is as follows:

	USD $'000	EURO $'000	GBP $'000	SGD $'000
Group				
2024				
Financial assets				
Cash and cash equivalents and fixed deposits	685	117	7	–*
Trade and other receivables	543	48	11	–
Intragroup receivables	1,448	–	81	2,240
	2,676	165	99	2,240
Financial liabilities				
Trade and other payables	(1,049)	(8)	–	(9)
Intragroup payable	(1,470)	–	(81)	(72)
	(2,519)	(8)	(81)	(81)
Net financial assets/(liabilities) and net currency exposure	**157**	**157**	**18**	**2,159**

* Amount less than $1,000

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34. Financial risk management (cont'd)

(a) Market risk (cont'd)

Foreign exchange risk (cont'd)

	USD $'000	EURO $'000	GBP $'000	SGD $'000
Group				
2023				
Financial assets				
Cash and cash equivalents and fixed deposits	2,004	49	28	–*
Trade and other receivables	1,826	372	92	–
Intragroup receivables	1,744	–	67	–
	5,574	421	187	–*
Financial liabilities				
Trade and other payables	(1,942)	(107)	(138)	(118)
Intragroup payable	(2,172)	–	(42)	–
Net financial assets/(liabilities) and net currency exposure	1,460	314	7	(118)

* Amount less than $1,000

Group

A 5% fluctuation in exchange rates, with all other variable held constant, will not have a significant impact on the Group's profit/(loss) before tax for the current and previous financial years.

Company

As at the end of the respective financial year, there is no currency risk exposure for the financial assets and liabilities as they are all denominated in the Company's functional currency.

Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as fair value through profit or loss on the statements of financial position as at 31 December 2024 and 31 December 2023. These investments are unquoted equity securities. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The sensitivity analysis for price risk is not disclosed if prices for equity securities change by 10% (2023: 10%) with all other variables including tax being held constant, as the effect on the Group's profit or loss is considered not significant.

34. Financial risk management (cont'd)

(a) Market risk (cont'd)

Interest rate risk

The Group's interest rate for short term bank deposits is fixed. The Company's interest rate for loan to a former subsidiary is at fixed rate. For interest income from the fixed deposits, the Group manages the interest rate risks by placing fixed deposits with reputable financial institutions on varying maturities and interest rate terms. The debt obligations of the Group and the Company mainly pertain to loans from bank and third parties and lease liabilities which are at fixed rates. The Group does not hedge its interest rate risk.

The Group and the Company ensures that it borrows at competitive interest rates under favourable terms and conditions.

Sensitivity analysis of the Group's and Company's interest rate risk exposures are not presented as the impact of an increase/decrease of 50 (2023: 50) basis points in interest rates on the Group's and the Company's profit or loss are not expected to be significant.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate exposure is significant in relation to the Group's total credit exposure. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("**ECL**"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the the end of the reporting period with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the financial year. A financial instrument is determined to have low credit risk; the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes. Where information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Maximum exposure and concentration of credit risk

The Group's trade receivables comprise 1 debtor (2023: 3 debtors) that represented approximately 25% (2023: 54%) of the trade receivables as at the end of financial year.

The credit risk on cash and cash equivalents is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the Group's and Company's statement of financial position, and the amount of $197,000 (2023: $580,000) relating to corporate guarantees given by the Company to banks for the subsidiaries' bank borrowing (Note 29).

Trade receivables

The Group has applied the simplified approach to measure the lifetime expected credit loss allowance for trade receivables. The Group estimates the expected credit loss rates of the debtors based on multiple factors, including the age of the balances, recent payments, outlook of relevant economic environments and any other available information concerning the creditworthiness of each individual debtor. A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor.

Based on the simplified approach for determining credit loss allowance for trade receivables as at 31 December 2023, an allowance for impairment amounting to $25,000 was recognised for credit-impaired receivables as a result of occurrence of credit impairment events.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic impact on the ability of the customers to settle the receivables.

Other financial assets at amortised cost

Other financial assets at amortised costs are those as disclosed in Note 16 (except GST receivables, tax recoverables, advance billings from suppliers and prepayments), cash and cash equivalents and fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's financial assets (other than trade receivables):

2024	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Other recoverable	Lifetime ECL	150	(150)	–
Security deposits	12-month ECL	135	–	135
Cash and cash equivalents	N.A. Exposure Limited	1,958	–	1,958
Fixed deposits	N.A. Exposure Limited	143	–	143

2023	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Other receivables - former subsidiary (GPE)	Lifetime ECL	300	–	300
Other receivables – Others	12-month ECL	7	–	7
Loan to a former subsidiary (GPE)	Lifetime ECL	3,058	(773)	2,285
Loan to a former corporate shareholder of a subsidiary	Lifetime ECL	4	(4)	–
Consideration due from disposal of GPE from Ms Chong Shin Mun	Lifetime ECL	1,267	(1,267)	–
Other recoverable	Lifetime ECL	150	(150)	–
Security deposits	12-month ECL	187	–	187
Cash and cash equivalents	N.A. Exposure Limited	3,013	–	3,013
Fixed deposits	N.A. Exposure Limited	434	–	434

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Company's financial assets:

2024	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Advances to subsidiaries	12-month ECL	613	–	613
Other recoverable	Lifetime ECL	150	(150)	–
Security deposits	12-month ECL	44	–	44
Lease receivables	12-month ECL	170	–	170
Cash and cash equivalents	N.A. Exposure Limited	85	–	85

2023	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Other receivables - former subsidiary (GPE)	Lifetime ECL	300	–	300
Loan to a former subsidiary (GPE)	Lifetime ECL	3,058	(773)	2,285
Advances to subsidiaries	12-month ECL	586	–	586
Consideration due from disposal of GPE from Ms Chong Shin Mun	Lifetime ECL	1,267	(1,267)	–
Other recoverable	Lifetime ECL	150	(150)	–
Security deposits	12-month ECL	34	–	34
Lease receivables	12-month ECL	365	–	365
Cash and cash equivalents	N.A. Exposure Limited	66	–	66

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Movements in expected credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS(I) 9 during the financial year for the Group and the Company except for the following:

	Trade receivables $'000	Other recoverable $'000	Consideration due from disposal of GPE from Ms Chong Shin Mun $'000	Loan to former corporate shareholder of a subsidiary $'000	Loan to a former subsidiary $'000
Group					
Balance at 1 January 2023	25	150	933	4	–
Loss allowance measured:					
Lifetime ECL					
- Credit-impaired	–	–	334	–	773
Balance at 31 December 2023	25	150	1,267	4	773
Receivables written off as uncollectable	(25)	–	(1,267)	(4)	(773)
Balance at 31 December 2024	–	**150**	–	–	–

	Other recoverable $'000	Consideration due from disposal of GPE from Ms Chong Shin Mun $'000	Loan to a former subsidiary $'000
Company			
Balance at 1 January 2023	150	933	–
Loss allowance measured:			
Lifetime ECL			
- Credit-impaired	–	334	773
Balance at 31 December 2023	150	1,267	773
Receivables written off as uncollectable	–	(1,267)	(773)
Balance at 31 December 2024	**150**	–	–

Financial guarantees

The Company has issued financial guarantees to banks for bank loans provided to its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations. In addition, the bank loans are secured by legal mortgage over the Group's fixed deposits, legal mortgage over the Group's leasehold properties under the right-of-use assets, corporate guarantee and personal guarantee from the directors of the subsidiaries. Hence, the Company does not expect significant credit losses arising from these guarantees.

34. Financial risk management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Management has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future as described in Note 3.1.

The Group's financial liabilities based on the remaining year at the end of the financial year to the contractual maturity date based on contractual undiscounted cash flows are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Less than one year:				
Trade and other payables	**5,435**	7,087	**6,827**	6,229
Borrowings	**2,076**	1,936	**1,861**	1,689
Financial guarantee contracts*	**–**	–	**197**	580
	7,511	9,023	**8,885**	8,498
Between 1 to 5 years:				
Borrowings	**192**	320	**139**	130
More than 5 years:				
Provision for employee benefits	**156**	108	**–**	–
	7,859	9,451	**9,024**	8,628

* At the financial reporting date, the maximum exposure of the Company in respect of the intra-group financial guarantee (Note 29) based on facilities drawn down by the subsidiaries is $197,000 (2023: $580,000). These guarantees are subject to the impairment requirements of SFRS(I) 9. The directors do not expect credit loss exposure arising from these guarantees in view of the borrowings were secured by legal charge over the Group's fixed deposits, leasehold properties under the right-of-use assets, corporate guarantee and personal guarantee from the directors of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Financial risk management (cont'd)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares and obtain new borrowings.

The Directors review the capital structure on a periodic basis. As part of the review, the Directors consider the cost of capital and other sources of funds, including borrowings from banks and redeemable convertible bonds.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total capital.

The total equity of the Group comprising share capital, other reserves, and accumulated losses. The Group's overall strategy remains unchanged from 2023.

	Group	
	2024	2023
	$'000	$'000
Borrowings (Note 23)	**2,222**	2,701
Total equity	**1,766**	(745)
Total capital	**3,988**	1,956
Gearing ratio	**0.56**	1.38

As disclosed in Note 3.1, the Directors believe that the Group will continue to be guided by prudent financial policies of which gearing is monitored.

35. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35. **Fair value of assets and liabilities (cont'd)**

(b) **Fair value measurements of assets and liabilities that are measured at fair value**

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value at the end of the financial year at 31 December 2024.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Group				
2024				
Financial assets				
Financial assets at fair value through profit or loss	–	–	–*	–*
2023				
Financial assets				
Financial assets at fair value through profit or loss	–	–	–*	–*
Company				
2024				
Financial assets				
Financial assets at fair value through profit or loss	–	–	–*	–*
2023				
Financial assets				
Financial assets at fair value through profit or loss	–	–	–*	–*

* Amount less than $1,000

Included in Level 3 are unquoted equity securities that are carried at fair value at the end of the respective financial year.

(c) **Assets and liabilities not carried at fair value but which fair values are disclosed**

The carrying amounts of non-current receivables and non-current borrowings approximate their fair values at the end of the respective financial year, as the market lending rate at the end of the respective financial year was not significantly different from either its coupon rate of the agreement or market lending rate at the initial measurement date.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

36. Comparative information

As disclosed in Note 14 and Note 31 to the financial statements, during the current financial year 2024, the Company has committed a plan to dispose 100% of its equity interest in its wholly owned subsidiary, IES to a third-party purchaser. The entire results and cash flows from IES were presented separately on the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows as "Discontinued operations" for the financial year ended 31 December 2024.

Consequently, in accordance with the requirements of SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the Group has re-stated the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of prior period presented in these financial statements. The statements of financial position information of the discontinued operations for the prior period is not represented.

The effects of the restatement of the comparative information is as follows:

	Before restatement 2023 $'000	Restatement made $'000	After restatement 2023 $'000
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Revenue	16,047	(209)	15,838
Cost of sales	(10,484)	132	(10,352)
Gross profit	5,563	(77)	5,486
Other income	411	(7)	404
Interest income	208	–	208
Selling and distribution expenses	(191)	13	(178)
Administrative and general expenses	(5,227)	278	(4,949)
Other expenses	(274)	–	(274)
Impairment losses on trade and other receivables	(1,107)	–	(1,107)
Finance costs	(221)	8	(213)
Loss before tax from continuing operations	(838)	215	(623)
Tax expense	(91)	–	(91)
Loss from continuing operations	(929)	215	(714)
Profit/(Loss) from discontinued operations	1	(215)	(214)
Loss for the financial year	(928)	–	(928)
Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Loss before tax from continuing operations	(838)	215	(623)
Profit/(Loss) before tax from discontinued operations	1	(215)	(214)
Net cash generated from operating activities	1,409	–	1,409
Net cash used in investing activities	(58)	–	(58)
Net cash generated from financing activities	291	–	291

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

37. Events occurring after the financial year

Save for the below non-adjusting event, there are no other known material adjusting and non-adjusting events that took place subsequent to the financial year-end which requires adjustments to and disclosure in this set of financial statements.

On 7 March 2025, the Company entered into a conditional asset purchase agreement ("**APA**") with GPL Industries Sdn. Bhd. (the "**Vendor**"), pursuant to which the Company has agreed to acquire, and the Vendor has agreed to sell to the Company, four (4) vertical automatic waste tyre pyrolysis equipment owned by the Vendor located in Tanjung Malim, Perak, Malaysia ("**Business Assets**") for a consideration of $2,650,000 (the "**Proposed Acquisition**").

The Consideration shall be satisfied wholly by way of an allotment and issuance of 1,766,666,666 new ordinary shares of the Company (the "**Consideration Shares**") to the Vendor on the completion of the Proposed Acquisition, at an issue price per Consideration Share of $0.0015 (the "**Issue Price**"). The Issue Price represents a premium of 50% to the volume weighted average price of $0.001 per Share transacted on 5 March 2025, being the last market day where there was Shares traded immediately preceding the date of the APA.

38. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 11 April 2025.

STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

Issued and fully paid-up share capital	:	$71,158,814
Number of issued Shares	:	19,260,481,334
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote for each Share (excluding treasury shares and subsidiary holdings)

The Company does not hold any treasury shares or subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS
(as at 28 March 2025)

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	3	0.08	21	0.00
100 - 1,000	159	4.29	114,999	0.00
1,001 - 10,000	504	13.59	3,735,992	0.02
10,001 - 1,000,000	2,590	69.83	552,543,260	2.87
1,000,001 and above	453	12.21	18,704,087,062	97.11
Total	**3,709**	**100.00**	**19,260,481,334**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(as recorded in the Company's register of Substantial Shareholders as at 28 March 2025)

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	Number of Shares held	%	Number of Shares held	%
Sandra Liz Hon Ai Ling	2,140,238,893	11.11	–	–
Lim In Chong	1,302,616,865	6.76	–	–
Abdul Rahman Bin Mohamed Shariff	1,107,500,000	5.75	–	–

STATISTICS OF SHAREHOLDINGS

As at 28 March 2025

TWENTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares	%
1.	Phillip Securities Pte Ltd	2,204,185,492	11.44
2.	Sandra Liz Hon Ai Ling	2,140,238,893	11.11
3.	UOB Kay Hian Pte Ltd	2,034,435,100	10.56
4.	Lim In Chong	1,302,616,865	6.76
5.	Citibank Nominees Singapore Pte Ltd	1,277,432,900	6.63
6.	Abdul Rahman Bin Mohamed Shariff	1,107,500,000	5.75
7.	Mohamed Shafeii Bin Abdul Gaffoor	778,380,952	4.04
8.	Shamsol Jeffri Bin Zainal Abidin	600,000,000	3.12
9.	IPCO International Limited	500,000,000	2.60
10.	OCBC Securities Private Ltd	457,732,250	2.38
11.	DBSN Services Pte Ltd	374,842,900	1.95
12.	DBS Nominees Pte Ltd	296,142,605	1.54
13.	Est of Poon Seng Fatt,Dec'D	293,296,473	1.52
14.	United Overseas Bank Nominees Pte Ltd	267,525,000	1.39
15.	Ong Siow Fong	254,900,000	1.32
16.	Lim Sze Chia	248,578,900	1.29
17.	Pek Seck Wei	245,107,183	1.27
18.	Felicia Yong Siaw Nee	174,000,000	0.90
19.	Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin	140,000,000	0.73
20.	HSBC (Singapore) Nominees Pte Ltd	100,000,100	0.52
	Total	**14,796,915,613**	**76.82**

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 28 March 2025, approximately 70.05% of the total number of issued ordinary shares of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

ANNICA HOLDINGS LIMITED

(Company Registration No. 198304025N)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**AGM**") of Annica Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") will be convened and held at the Galangal Room, Level 4, Village Hotel Katong, 25 Marine Parade Road, Singapore 449536 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore time) to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2024 ("**FY2024**"), together with the Directors' Statement and Independent Auditors' Report thereon. **[Resolution 1]**

2. To re-elect Mr. Robin Stevens, who is retiring by rotation pursuant to Regulation 95 of the Company's constitution (the "**Constitution**"), and who, being eligible, is offering himself for re-election, as a director of the Company ("**Director**").
[See Explanatory Note (a)] **[Resolution 2]**

3. To re-elect Mr. Lim In Chong, who is retiring by rotation pursuant to Regulation 95 of the Constitution, and who, being eligible, is offering himself for re-election, as a Director.
[see Explanatory Note (b)] **[Resolution 3]**

4. To re-elect Ms. Randell Leong, who is retiring pursuant to Regulation 94 of the Constitution, and who, being eligible, is offering herself for re-election, as a Director.
[see Explanatory Note (c)] **[Resolution 4]**

5. To approve the payment of Directors' fees of $195,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears (FY2024: $185,000). **[Resolution 5]**

6. To re-appoint PKF-CAP LLP as the Independent Auditor of the Company and to authorise the Directors to fix its remuneration. **[Resolution 6]**

7. To transact any other business that may properly be transacted at an AGM.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

8. <u>Authority to allot and issue shares and convertible securities in the capital of the Company</u>

   That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

   (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force, provided that:

(i) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (B)(ii) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares (excluding treasury shares and subsidiary holdings);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (B)(i) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this authority is given, after adjusting for:

(aa) new Shares arising from the conversion or exercise of any convertible securities which are outstanding or subsisting at the time this Resolution is passed;

(bb) new Shares arising from the exercise of share options or vesting of share awards or schemes which are outstanding or subsisting at the time this authority is given, provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(cc) any subsequent bonus issue, consolidation or sub-division of Shares;

and provided also that adjustments in accordance with sub-paragraph (ii)(aa) or subparagraph (ii)(bb) above are only to be made in respect of new Shares arising from the Instruments, convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being in force; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (d)] **[Resolution 7]**

By Order of the Board

Allan Tan
Company Secretary

11 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(a) In relation to Ordinary Resolution 2, pursuant to Regulation 95 of the Constitution, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation. Mr. Robin Stevens has been nominated by the Nominating Committee and approved for re-election by the board of Directors ("**Board**"). He has consented for re-election, and will, upon re-election as a Director, remain as the Lead Independent and Non-Executive Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. There are no relationships (including family relationships) between Mr. Robin Stevens and the other Directors, the Company, and its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Robin Stevens to be independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of Mr. Robin Stevens can be found under the sections entitled "Board of Directors" and "Corporate Governance Report" in the Company's annual report for the financial year ended 31 December 2024 ("**Annual Report 2024**").

(b) In relation to Ordinary Resolution 3, pursuant to Regulation 95 of the Constitution, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation. Mr. Lim In Chong has been nominated by the Nominating Committee and approved for re-election by the Board. He has consented for re-election, and will, upon re-election as a Director, remain as a Non-Independent and Non-Executive Director of the Company. Detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of Mr. Lim In Chong can be found under the sections entitled "Board of Directors" and "Corporate Governance Report" in the Company's Annual Report 2024.

(c) In relation to Ordinary Resolution 4, pursuant to Regulation 94 of the Constitution, any person appointed as an additional Director or to fill a casual vacancy shall hold office only until the next AGM and shall be eligible for re-election. Ms. Randell Leong having been appointed to fill a vacancy is eligible and has consented for re-election. Upon re-election, she will remain as an Independent and Non-Executive Director of the Company, Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee. There are no relationships (including family relationships) between Ms. Randell Leong and the other Directors, the Company, and its related corporations, its officers or its substantial shareholders, which may affect her independence. The Board considers Ms. Randell Leong to be independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information (including information as required pursuant to Rule 720(5) of the Catalist Rules) of Ms. Randell Leong can be found under the sections entitled "Board of Directors" and "Corporate Governance Report" in the Company's Annual Report 2024.

(d) Under the Catalist Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable the directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to 100% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than 50% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings).

    Ordinary Resolution 6, if passed, will empower the Directors from the date of the above AGM until the date of the next AGM, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

Notes on AGM:

1. The AGM of the Company will be held, in a wholly physical format, at the Galangal Room, Level 4, Village Hotel Katong, 25 Marine Parade Road, Singapore 449536 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore time). **There will be no option for shareholders of the Company to participate virtually or electronically**. This Notice of AGM (and the Proxy Form) will also be published on the Company's website at the URL https://www.annica.com.sg and the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

   Members who wish to request for a printed copy of the Company's Annual Report 2024 may do so by completing and submitting the Request Form, which is available on the Company's website at the URL https://www.annica.com.sg and the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements. The duly completed Request Form may be submitted either via email to agm2025@annica.com.sg or by post to the Company's registered office at 40 Ubi Crescent, #01-01 Ubi Techpark, Singapore 408567, in each case, no later than 21 April 2025. A printed copy of the Annual Report will be mailed to you within five (5) working days upon receiving your request.

2. Shareholders of the Company ("**Shareholders**") (including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors) may participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the meeting in advance of and at the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies). For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the meeting) to attend, speak and/or vote at the AGM on their behalf.

NOTICE OF ANNUAL GENERAL MEETING

3. Details of the steps for registration, submission of questions and voting at the AGM by Shareholders, including CPF and SRS investors, are set out in **Appendix A** to this announcement. In particular, CPF and SRS investors who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the meeting as their proxy in respect of their shares held by such CPF Agent Banks or SRS Operators should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. (Singapore time) on 18 April 2025 (i.e. seven (7) working days before the date and time set for the AGM).

4. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is normally entitled to appoint not more than two (2) proxies to participate and vote in the AGM. Where a member appoints more than one (1) proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the Proxy Form.

5. Pursuant to Section 181(1C) of the Companies Act, any member who is a Relevant Intermediary is normally entitled to appoint more than two (2) proxies to participate in the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares in relation to which a proxy has been appointed shall be specified in the Proxy Form.

6. Persons who hold the Company's shares through Relevant Intermediaries, other than CPF and SRS investors, and who wish to participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the meeting as proxy in respect of their shares held by such Relevant Intermediaries, should contact their respective Relevant Intermediary as soon as possible in order for the necessary arrangements to be made.

7. All voting, if carried out by way of Proxy Forms appointing the Chairman as proxy, must be directed.

8. The duly executed Proxy Form appointing the Chairman as proxy must be (a) emailed to the Company at main@zicoholdings.com or (b) sent by post to the office of the Company's share registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, in any event not later than seventy-two (72) hours before the time set for the AGM.

9. The Proxy Form appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under hand of any officer or attorney duly authorised. A copy of the power of attorney or such other authority must be submitted together with the Proxy Form appointing a proxy.

10. A depositor's name must appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) maintained by The Central Depository (Pte) Limited not later than seventy-two (72) hours before the date and time set for the AGM for the depositor to be entitled to participate in and vote at the AGM.

Personal Data Privacy Terms:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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*This notice has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

The contact person for the Sponsor is Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

NOTICE OF ANNUAL GENERAL MEETING

APPENDIX A

Steps for registration, submission of questions and voting at the annual general meeting of the Company for the financial year ended 31 December 2024 ("AGM")

The AGM will be held, in a wholly physical format, at Galangal Room, Level 4, Village Hotel Katong, 25 Marine Parade Road, Singapore 449536 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore time). **There will be no option for shareholders to participate virtually or electronically.** Shareholders of the Company ("**Shareholders**") (including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors) may participate in the AGM by: (a) attending the AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies). For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the meeting) to attend, speak and/or vote at the AGM on their behalf.

No.	Steps	Details
1.	Register in person to attend the AGM	Shareholders (including CPF and SRS investors) and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Registration will commence at 9.00 a.m. (Singapore time) on that day. Please bring along your NRIC/passport to enable the Company to verify your identity.
2.	Submit questions in advance of, or at, the AGM	**Submission of substantial and relevant questions in advance of the AGM:** Shareholders (including CPF and SRS investors) can submit questions that are substantial and relevant to the resolutions tabled for approval at the AGM to the Chairman of the meeting in advance of the AGM, in the following manner: (a) via email to agm2025@annica.com.sg; or (b) by post to the Company's registered address at 40 Ubi Crescent, #01-01 Ubi Techpark, Singapore 408567. Shareholders who submit questions via email or by post must provide the Company with the following details: ● the Shareholder's full name; ● the Shareholder's address; and ● the manner in which the Shareholder holds shares in the Company (e.g., via CDP, CPF/SRS and/or scrip). **Deadline to submit questions in advance of the AGM:** All questions submitted in advance of the AGM via any of the above channels must be received by 10.00 a.m. (Singapore time) on Monday, 21 April 2025 (the "**Submission of Questions Deadline**"). **Asking substantial and relevant questions at the AGM:** Shareholders (including CPF and SRS investors) and (where applicable) duly appointed proxies can also ask the Chairman of the meeting questions that are substantial and relevant to the resolutions tabled for approval at the AGM, at the AGM itself.

NOTICE OF ANNUAL GENERAL MEETING

No.	Steps	Details
		Addressing questions: The Company will address all substantial and relevant questions received from Shareholders by the Submission of Questions Deadline by publishing its responses on the Company's corporate website at the URL https://www.annica.com.sg and the SGXNet at the URL https://www.sgx.com/securities/company-announcements by no later than Tuesday, 23 April 2025 at 10:00 a.m. (Singapore time) (i.e. no later than 72 hours prior to the deadline for the submission of instruments appointing a proxy(ies)). The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the Submission of Questions Deadline which have not already been addressed prior to the AGM at the AGM itself. **Where substantially similar questions have been received, the Company will consolidate such questions for a single response, and consequently not all questions will be individually addressed.** **Minutes of AGM:** The Company will publish the minutes of the AGM on the Company's corporate website and the SGXNet within one (1) calendar month from the date of the AGM, and the minutes will include the responses to substantial and relevant questions raised by Shareholders which are addressed during the AGM.
3.	Vote, or submit instruments appointing a proxy(ies) to vote, at the AGM	**Voting:** Shareholders can vote at the AGM themselves or through duly appointed proxy(ies). **Appointment of Proxy:** Shareholders who wish to appoint a proxy(ies) must submit an instrument appointing a proxy(ies). **Submission of instruments appointing a proxy(ies):** The instrument appointing a proxy(ies) must be submitted to the Company in the following manner: (a) (if submitted electronically) via email to main@zicohodings.com; (b) (if submitted by post) lodged with the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, in any case no later than seventy-two (72) hours before the time set for the AGM, being 26 April 2025 at 10.00 a.m. (Singapore time). A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the Company's corporate website at the URL https://www.annica.com.sg or from SGXNet at the URL https://www.sgx.com/securities/company-announcements, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Deemed revocation of proxy appointment if shareholder attends the AGM in person:** Completion and submission of the instrument appointing a proxy(ies) by a Shareholder will not prevent a Shareholder from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed revoked if the shareholder attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed as proxy/proxies to the meeting.

NOTICE OF ANNUAL GENERAL MEETING

No.	Steps	Details
		CPF and SRS investors: (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the meeting as proxy to vote on their behalf at the AGM in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the meeting to vote on their behalf by the cut-off date at 10.00 a.m.(Singapore time) on 18 April 2025. **Shareholders who hold shares through Relevant Intermediaries:** (a) may vote at the AGM if they are appointed proxy by their respective Relevant Intermediaries, and should contact their respective Relevant Intermediaries if they have any queries regarding their appointment as proxy; or (b) may request their respective Relevant Intermediaries to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in either case, they should approach their respective Relevant Intermediaries by 18 April 2025, (i.e. at least seven (7) working days before the AGM).

ANNICA HOLDINGS LIMITED

(Company Registration No.: 198304025N)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "**CPF Investors**" or "**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF or SRS investors:
   (a) may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the meeting as proxy to vote on their behalf at the AGM in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the meeting to vote on their behalf by the cut-off date at 10.00 a.m. (Singapore time) on 18 April 2025.

PROXY FORM
ANNUAL GENERAL MEETING ("AGM")

I/We* ______________________ *(Name)*, __________________ *(NRIC/Passport No./Company Registration Number)*

of ____ *(Address)*

being a member/members* of ANNICA HOLDINGS LIMITED (the "**Company**") hereby appoint:

(a)

Name	Address	Email Address	NRIC/Passport Number	Proportion of Shareholdings	
				No. of Shares	%
				No. of Shares	%

OR

(b) the Chairman of the Annual General Meeting (the "**AGM**"),

as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held at Galangal Room, Level 4, Village Hotel Katong, 25 Marine Parade Road, Singapore 449536 on Tuesday, 29 April 2025 at 10.00 a.m. (Singapore time) and at any adjournment thereof.

I/We* direct my/our* proxy to vote for or against, or abstain from voting on, each of the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. Where the Chairman of the AGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

The resolution(s) put to the AGM will be decided by way of a poll.

Please indicate with a "√" in the space provided below to exercise your vote "For" or "Against", or to "Abstain" from voting on, the Resolutions as set out in the Notice of AGM dated 11 April 2025. Alternatively, please indicate the number of shares in the capital of the Company ("**Shares**") as appropriate.

No.	Ordinary Business	Number of votes		
		For	Against	Abstain
1.	**Ordinary Resolution 1** To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2024, together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	**Ordinary Resolution 2** To re-elect Mr. Robin Stevens, who is retiring by rotation pursuant to Regulation 95 of the Constitution, and who, being eligible, is offering himself for re-election, as a Director.			
3.	**Ordinary Resolution 3** To re-elect Mr. Lim In Chong who is retiring by rotation pursuant to Regulation 95 of the Constitution, and who, being eligible, is offering himself for re-election as a Director.			
4.	**Ordinary Resolution 4** To re-elect Ms. Randell Leong who is retiring by rotation pursuant to Regulation 94 of the Constitution, and who, being eligible, is offering herself for re-election as a Director.			
5.	**Ordinary Resolution 5** To approve the payment of Directors' fees of $195,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears (FY2024: $185,000).			

IMPORTANT: PLEASE READ NOTES OVERLEAF

No.	Special Business	Number of votes		
		For	Against	Abstain
6.	**Ordinary Resolution 6** To re-appoint PKF-CAP LLP as the Independent Auditor of the Company and to authorise the Directors to fix its remuneration.			
7.	**Ordinary Resolution 7** Authority to allot and issue shares and convertible securities in the capital of the Company.			

** Please note that any short description given above of a particular Resolution to be passed does not in any way whatsoever reflect the intent and purpose of the Resolution. The short description has been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM dated 11 April 2025 for the full purpose and intent of the Resolution to be passed.

Dated this __________ day of ______________________ 2025.

		Total no. of shares in	No. of shares
		(a) in CDP Register	
		(b) in Register Members	

Signature(s) of Member(s)/Common Seal of
Corporate Member(s)

* Delete where inapplicable

NOTES FOR PROXY FORM

1. For this AGM, members of the Company (including relevant intermediaries) may vote by way of this Proxy Form appointing their duly appointed proxy or proxies.

2. Please insert the total number of Shares held by you: (a) if you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number; (b) if you have Shares registered in your name in the Register of Members of the Company, you should insert that number; (c) if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate of the numbers. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

3. Details of the steps for registration, submission of questions and voting at the AGM by Shareholders, including CPF and SRS investors, are set out in Appendix A to this announcement. In particular, CPF and SRS investors who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the meeting as their proxy in respect of their shares held by such CPF Agent Banks or SRS Operators should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. (Singapore time) on 18 April 2025 (i.e. seven (7) working days before the date and time set for the AGM).

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

5. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

6. "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore.

7. A proxy need not be a member of the Company.

8. The instrument appointing a proxy must be signed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

9. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.

10. The duly executed instrument appointing a proxy must be (a) emailed to the Company at main@zicoholdings.com or (b) sent by post to the office of the Company's share registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, in any event not later than seventy-two (72) hours before the time set for the AGM.

11. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2025.

12. The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

ANNICA
HOLDINGS LIMITED

(COMPANY REGISTRATION NO.: 198304025N)

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#01-01 UBI TECHPARK

SINGAPORE 408567